NOTICE is hereby given that the Community Development Advisory Board of the City of Harlingen’s Community Development Block Grant Program will hold a **SPECIAL MEETING/PUBLIC HEARING** on Thursday, June 30th, 2016, at **5:30 p.m.** in Conference Room of the Lon C. Hill Building located at 502 E. Tyler, Harlingen, Texas.

**AGENDA**

1. **Roll Call.**
2. **New Member Recognition** – Cesar Morales.
3. **Disclosure of Conflicts of Interest**
4. **Approval of Minutes**
   a. May 19, 2016
5. **Discussion and Action** regarding revisions to the Rehabilitation & Reconstruction Housing Programs guidelines.
6. **Public Hearing** to obtain comments on the proposed amendments to the Citizen Participation Plan.
   a. Public Hearing
   b. Consider and take action to approve the revised Citizen Participation Plan
7. **Discussion and Action** regarding revisions to the Affordable Housing Program guidelines.
8. **Approval of Board Member Attendance**
9. **Adjournment**

Accommodations for individuals with handicaps/disabilities or limited English proficiency shall be assisted upon request by calling (956) 216-5180. Los alojamientos para individuos con desventajas/incapacidades o pericia inglesa limitada serán ayudados sobre la petición llamando (956) 216-5181.

Dan Serna, City Manager, City of Harlingen

Posted this 22 day of June, 2016 at 3:00 a.m./p.m.

**BY:** Tammy DeGannes-Jackson, Community Development Director
PUBLIC NOTICE

Notice is hereby given of the Harlingen Elective Commission’s attendance and participation at the **COMMUNITY DEVELOPMENT ADVISORY BOARD REGULAR MEETING/PUBLIC HEARING** to be held on **June 30, 2016**, beginning at **5:30 p.m.** in the **Conference Room of the Lon C. Hill Building** located at **502 E. Tyler**, Harlingen, Texas.

This is not a Meeting of the Harlingen Elective Commission, but this notice is being posted in the event that a quorum of the Commission is present.

Posted this **22**, day of **June, 2016** at **3 p.m.** and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

Dated this the **22** of **June**, 2016.

Amanda C. Elizondo, City Secretary
ITEM #2 –
New Member Recognition
ITEM #3 – DISCLOSURE OF CONFLICT OF INTEREST
I. AGENDA ITEM: Disclosure of Conflicts of Interest

II. BRIEF OVERVIEW:

24 CFR part 570 set forth the requirements of the CDBG Program and 24 CFR part 92 for the HOME Program. Both programs prohibit conflicts of interest above and beyond state and local ordinances regarding conflicts and ethics.

In an effort to avoid even the slightest appearance of a conflict of interest, the CDAB follows the procedure established by the City Attorney for CDBG conflicts of interest during the City Commission meetings: When a Board Member has a Conflict of Interest; the issue regarding the conflict will not be discussed until the Member has left the room.

III. STAFF COMMENTS: The following are conflicts that are known at this time:

   Lupita Muniz – Boys & Girls Club (Board Member)
   George McShan - Boys & Girls Club (Board Member)

NOTE: Please notify the Chairperson if you have any real or apparent conflict of interest.

Tammy DeGannes-Jackson, Community Development Director
ITEM #4
APPROVAL OF MINUTES
I. AGENDA ITEM: APPROVAL OF MINUTES

II. BRIEF OVERVIEW:

Attached are the Minutes to the May 19, 2016, Community Development Advisory Board meeting.

III. STAFF COMMENTS: Staff recommends approval of the Minutes.

Tammy DeGannes-Jackson, Community Development Director
COMMUNITY DEVELOPMENT ADVISORY BOARD
Regular Meeting/Public Hearing
City of Harlingen
Conference Room – Lon C. Hill Building
502 E. Tyler
May 19, 2016, 5:30 P.M.

COMMUNITY DEVELOPMENT ADVISORY BOARD MEMBERS PRESENT/ABSENT:

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<td>1</td>
<td>Elaine Flores</td>
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<td>George McShan</td>
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<td>Shane Allen</td>
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<td>1</td>
<td>Aaron G. Saenz</td>
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<td>Vacant (DeLeon)</td>
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<td>Lupita Muniz</td>
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<td>Vacant (Ellis)</td>
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<td>1</td>
<td>Connie Salas</td>
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<td>Tina Puente</td>
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<td>Sonia R. Casas (Alternate)</td>
<td>P 4</td>
<td>Sylvia Flores (Alternate)</td>
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COMMUNITY DEVELOPMENT STAFF PRESENT:

Maria Torres, Housing Technician
Brandy Garza, Compliance Coordinator
Tammy Jackson, Community Development Director

Chairperson Aaron G. Saenz brought the meeting to order at 5:30 p.m.

Maria Torres called roll and established there was a quorum with at least fifty-one percent (51%) of the Board present.

Item 2 - Disclosures of Conflict of Interest

Chairperson Saenz stated the known conflicts of interest of Lupita Muniz & George McShan as Board Members of the Boys & Girls Club. He then asked the Board if there were any other conflicts of interests to report.

Shane Allen asked for clarification on the role of Community Development Corporation of Brownsville to ascertain if there was a possible conflict.

Tammy Jackson explained the Community Development Corporation of Brownsville will be administering the affordable housing programs with the use of HOME funds from the City, and they would be constructing homes, providing down payment, and closing cost assistance.

There being other conflicts, the Board moved to the next agenda item.

Item 3 – Approval of Minutes

a. April 7, 2016
b. April 14, 2016
c. May 5, 2016
No additions, corrections, or changes were noted therefore, Connie Salas moved to approve the Minutes as submitted. Elaine Flores seconded the motion. All were in favor; motion carried.

**Item 4 Public Hearing** to receive citizens comments on the 2016-2017 One Year Action Plan.

Chairperson Saenz opened the public hearing; there being no one in attendance; the public hearing was closed.

**Item 5 – Approval of Board Member Attendance**

The board member attendance was approved as submitted. Connie Salas made the motion, motion was seconded by George McShan. All were in favor, motion carried.

**Item 6 – Adjournment**

There being no further business, Sonia Casas motioned for adjournment. Elaine Flores seconded the motion. Motion carried unanimously.

_______________________________
Aaron Saenz, Chairperson
ITEM #5
DISCUSSION AND ACTION REGARDING REVISIONS TO THE HOUSING REHABILITATION & RECONSTRUCTION PROGRAM GUIDELINES
Date: June 30, 2016

I. AGENDA ITEM: Discussion and Action regarding revisions to the Rehabilitation & Reconstruction Housing Programs guidelines.

II. BRIEF OVERVIEW:

The Community Development Department is required to have written policies and procedures in place for programs funded with CDBG/HOME funds.

The attached Housing Rehabilitation/Reconstruction Program guidelines contain many revisions that are mostly clarification in intent of the program or changes for consistency. Additionally, we made changes to ensure the benefit is provided to those that are eligible and that assistance is provided only once. Our program is not a maintenance program and participation in the program requires the recipient to maintain the home and our improvements therefore, “double dipping” is not the intent of the program.

III. STAFF COMMENTS: Staff recommends approval of the revision to the Housing Rehabilitation & Reconstruction Guidelines.

Tammy DeGannes-Jackson, Community Development Director
CITY OF HARLINGEN

REHABILITATION & RECONSTRUCTION
HOUSING PROGRAM

GUIDELINES
Section 1 - GENERAL AUTHORITY AND DEFINITIONS

1. LEGAL AUTHORITY FOR REHABILITATION/RECONSTRUCTION DEFERRED LOANS: Housing Rehabilitation/Reconstruction loans are authorized under the U.S. Department of Housing and Urban Development Regulations.

2. DEFINITIONS: Following are definitions of various terms as used with respect to housing rehabilitation/reconstruction deferred loans:

   a. APPEALS: Community Development Advisory Board Members will serve to consider written request for reconsideration to staff’s determinations on program guidelines and eligibility.

   b. COMMUNITY DEVELOPMENT: A department of the City of Harlingen responsible for the general operation of the program, which includes but is not limited to the initial contact with property owners, preparation of plans and specifications, processing of all loan documents, securing contractors for the owners, inspecting the work, and counseling with loan recipients as needed, providing direction and instructions to contractors, processing payments and maintaining all program files.

   c. COMMUNITY DEVELOPMENT ADVISORY BOARD: A Board (CDAB) appointed by the City Commission to oversee the program undertaken through the Community Development Block Grant Program.

   d. HUD: The United Stated Department of Housing & Urban Development.

   e. OWNER-OCCUPIED PROPERTY: A property that is owned and occupied by the applicant and is used entirely for residential purposes and contains only one dwelling unit per lot.

   f. PRIORITY NEED: From the first come first serve list. In the event the home is damaged and habitation is no longer safe, priority will be given for loss due to natural disasters such as hurricane, fire, flood, etc. upon approval of the Community Development Director. A separate first come first serve waiting list is established for catastrophic loss.

   g. REHABILITATION: term may be used interchangeably to refer to Rehabilitation, Demolition and or Reconstruction projects throughout this handbook.

   h. REHABILITATION/RECONSTRUCTION COST: The total cost of repairs and improvements and other associated costs with the rehabilitation/reconstruction project.

   i. VARIANCES: CDAB will serve to consider written variances for exceptions to program guidelines.

   j. VOLUNTARY WITHDRAWAL: Applicants who choose to withdraw from the waiting list will be withdrawn immediately from the waiting list. Applicants who reapply for assistance will be considered new applicants.
Section 2 - PROGRAM PURPOSE

The purpose of the City of Harlingen's Community Development Housing Rehabilitation & Reconstruction Program is to provide rehabilitation and reconstruction assistance to eligible low and moderate income Homeowners residing in the corporate city limits of Harlingen. The Program's Objective is to implement a program to arrest the deterioration of substandard single family homes by rehabilitating or through reconstruction to conform to the International Property Maintenance Code and its amendments, City of Harlingen's Housing Rehabilitation Performance Manual and other applicable State Laws, City Codes and Ordinances.

The goal of this program is to work in partnership with qualified Homeowners to maintain the existing housing stock in decent, safe, sanitary and affordable conditions.

Assistance through any of the programs herein shall be voluntary and relocation assistance shall not be provided.

Assistance is limited to single family residential structures within the city limits of Harlingen.

Section 3 - PUBLIC AWARENESS

The Community Development Department may advertise that it is accepting applications for program assistance through local newspapers or the broadcast media.

Inquiries may be received through a variety of methods, including telephone inquiries, walk-ins and letters. Staff will respond to these inquiries by providing a verbal or written description of program requirements including brochures and other documentation available to the public.

Staff encourages interested and potentially eligible homeowners to schedule a personal interview with a staff member.

Complaints regarding lack of understanding of the program, the level of service provided, the public awareness process, or other matters shall be promptly addressed, if possible by a staff person. If a complaint cannot be resolved at that level, the complaint will be forwarded to the Community Development Director for resolution and documentation. If no resolution can be found, the matter will be forwarded to the Assistant City Manager, and/or forwarded to the Community Development Advisory Board Rehabilitation Grievance Committee.
Section 4 - QUALIFICATIONS

1. Assistance is limited to single family residential structures.

2. All prior Housing Rehabilitation/Reconstruction Program recipients/applicants will not be eligible to apply for assistance unless all previously assisted funds (grants/loans) are paid in full.

3. Those previously assisted through Harlingen Community Development Corporation or the City of Harlingen are not eligible for additional assistance.

4. An applicant must be a resident of the City of Harlingen, and live in the home to be assisted a minimum of 5 years before applying for assistance.

5. Applicants must also have a warranty deed in their name (or other legal document as stated elsewhere within these guidelines).

6. An applicant/household will not be eligible for assistance if:
   a. Non-elderly Head of Household has resources (other than home to be rehabilitated), or cash assets in excess of $10,000.00.
   b. Elderly Head of Household (62 years of age or older), has resources (other than home to be rehabilitated), or cash assets over $20,000.00.
   c. Disabled Head of Household has resources (other than home to be rehabilitated), or cash assets over $20,000.00.
   d. Resources include but are not limited to the following: real property, vehicles and bank accounts.
   e. Exempt resources include:
      i. home to be assisted and surrounding property
      ii. first family vehicle, vehicles necessary for employment or training related purposes, and vehicles used to transport a physically handicapped person.
   f. There has been a transfer of resources within a two years of date of application by household members for the purpose of qualifying for the program.
   g. An applicant who has more than one dwelling structure on the property to be rehabilitated or reconstructed unless the applicant removes the excess structure.
   h. An applicant/household who is operating a business out of said home.
   i. An applicant/household who has failed to meet their bankruptcy obligations.
   j. A bankruptcy discharge must be:
      • At least 5 years prior to the date of application for Chapter 7.
      • At least 3 years prior to the date of application for Chapter 13.
   k. An applicant/household who has outstanding judgments.
   l. An applicant/household is presently delinquent on any Federal debt or has a lien placed against his/her property for a debt owed to the United States Government.

7. An applicant/household who is accepted for assistance shall first remove all abandoned appliances, junked vehicles, trash, rubbish, etc. from the property before assistance is rendered.

8. Second Lien Position: The City will take a second lien position if the first lien balance is not more than 50% of the appraised value of the property, based
on latest tax rolls.

9. An applicant/household must meet the low to moderate income criteria as set forth by the Department of Housing and Urban Development’s Part V (Section 8) requirements as they are now or may be adopted by HUD on a yearly basis.

10. Total family household income is determined by computing the income as required in 24 CFR Part 5. Income of all the persons residing in the household at the time of the application will be included in the calculation.

Section 5 - ELIGIBILITY INCOME GUIDELINES

Eligibility for CDBG housing program support is determined in accordance with income limits established by the Department of Housing and Urban Development. These figures are revised annually by the Department of Housing and Urban Development. The most recent income limits are found in Attachment #1.

Section 6 - PROGRAM LIMITATIONS

1. Any applicant, whose property is located within a 100-year flood plain according to current FEMA Flood Insurance Rate Maps, shall not be eligible for assistance for on-site housing rehabilitation assistance programs.

2. In the case where the Housing Rehabilitation Specialist has determined that the costs for rehabilitation exceed program guidelines ($25,000.00), or more than 50% of the appraised after rehabilitation value, the applicant will be considered for reconstruction assistance or referred to the Harlingen Community Development Corporation (HCDC) other affordable housing providers for possible assistance through their housing programs.

Section 7 - LOAN PROGRAM REQUIREMENTS

All loan programs will require, at a minimum, the following:

1. Title search on property.
2. Credit analysis on homeowners adult household members.
3. Proof of Paid City, School and County Taxes.
4. Verification of income and financial analysis.
5. Property to be located inside the Harlingen City Limits.

Section 8 - INFORMATION REQUIRED FROM ALL APPLICANTS

The following information is needed from all Applicants adult household members. An application will not be considered complete and processed until all information is received by the CD Staff.

1. Proof of ownership - Warranty Deed or other document as stated herein.
2. Utility receipts with applicant’s name
3. Copies of the following for all household members over the age of 18:
a. W-2's and 1040's (if employed)
b. Income Tax Returns for the past 2 years
c. Social security cards, current driver's license or Texas ID

4. Authorization to obtain the following for all household members:
   a. Verification of other income, or assets
   b. Verification of Employment
   c. Verification of Unemployment check
   d. Verification of Social Security, SSI, etc., checks
   e. Verification of Bank deposits
5. Receipts of paid City, School and County Taxes

Section 9 - TEMPORARY RELOCATION

Applicants agree that participation in the program is voluntary and to voluntarily relocate during Lead Based Paint activities and general construction.

Voluntary homeowner rehabilitation does not trigger relocation requirements as per the Uniform Relocation Act for the homeowner.

Section 10 - PROGRAMS AVAILABLE

ZERO, ONE, OR TWO % INTEREST LOANS

The Community Development Department provides zero, one or two % interest loans to qualified homeowners for the rehabilitation or reconstruction of their single family substandard homes. The interest amount on the loan is based on the homeowners annual income adjusted to family size. Below 30% of the Median Income, 0% interest, between 31% and 50% of the Median Income, 1% interest, and between 51% and 80% of the Median Income, 2% interest.

1. Loan applications are accepted at the Community Development Department, City Hall, Lon C. Hill Building, 502 E. Tyler, Harlingen, Texas. Loans will be serviced through the department.
2. Applicants must meet the following requirements:
   a. Income: Applicant’s total income may not exceed 80% of the median income for the area, adjusted to family size.
   b. Ownership: Applicant/Homeowner(s)must live in said home and have clear title to property, (although City is willing to take a second lien position if possible, on rehab loans only).
   c. Applicant must have an ownership interest in any one of the following types of ownership in the property to be improved:
      a) Individual fee ownership with recorded deed (no corporate, trust, legal partnerships, etc.); or
      b) Individual fee ownership subject to a mortgage or other lien securing debt; or
      c) An ownership interest in a properly recorded land contract; or
      d) A life estate interest provided the following are met:
         1. The life estate person occupying the dwelling to receive assistance must be income eligible.
2. The life estate agreement terms must be written, signed, and recorded in the public records of Cameron County, Texas.

3. The holders of the remainder interest in the dwelling must agree, in writing, to repay the loan when the dwelling ceases to be the principal place of residence of the current life estate person(s).

4. Both the owner of the life estate and the holder(s) of the remainder interest must sign program documents.

5. The holder(s) of the remainder interest must sign the “Life estate Responsibility” form.

d. Credit: Applicant’s and adult household members credit history will be verified with a credit reporting agency.

e. Taxes: City, School, and County Taxes must be paid and up to date at the time application is submitted.

f. Income to Debt Ratio: Applicant’s total monthly housing expenses including rehabilitation/reconstruction loan plus taxes and insurance, must not exceed 30% of the applicant’s gross monthly income.

g. Applicant’s total monthly debt payment, including housing expenses plus other installment payments must not exceed 40% of the applicant’s gross monthly income.

3. Housing rehabilitation loans are for a maximum of $25,000.00 per home with up to fifteen (15) years to repay and can be combined with the Deferred Loan Program for rehabilitation. Payment will include escrow amounts for taxes and insurance.

4. Reconstruction loans shall be limited to $50,000.00 (plus or minus market prices) for a three bedroom home and $45,000.00 (plus or minus market prices) for a two bedroom home (including demolition of the existing home) with up to for a term of twenty (20) years to repay and can be combined with the Deferred Loan Program. Payment will include escrow amounts for taxes and insurance.

5. Qualified Applicants who own a home built prior to 1978 will be provided a grant that covers 100% of the total expense to perform a Lead Base Paint Risk Assessment/Inspection, all lab fees, interim controls and/or abatement procedures, and clearance testing to ensure that the home is lead safe. Lead Base Paint requirements do not apply to reconstruction.

6. Any expenses classified as costs related to Lead Base Paint Hazard Evaluation and Reduction Costs shall be covered by a grant and not be included when calculating Rehabilitation costs (loan amount). Loan amounts do not include:

   a. Soft Costs: Financing Fees, Credit reports, Title binders and insurance, Recording fees, transaction taxes, legal and accounting fees, appraisals, architectural and engineering fees including specifications and job progress, Administrative Costs, Relocation Costs, Environmental Reviews, Acquisition of the Property.

**DEFERRED LOAN PROGRAM**

Deferred Loans are for qualified elderly head of households (HOH) (62 years of age or older), or disabled head of household (HOH) homeowners of single family homes and must meet the following requirements.
1. **Ownership:** Applicant(s)/Homeowner(s) must live in said home and have clear title to property (although City is willing to take a second lien position).
   a. Applicant(s) must have an ownership interest in any one of the following types of ownership in the property to be improved:
      i. Individual fee ownership with recorded deed (no corporate, trust, legal partnerships, etc.); or
      ii. Individual fee ownership subject to a mortgage or other lien securing debt; or
      iii. An ownership interest in a properly recorded land contract; or
   b. A life estate interest provided the following are met:
      i. The life estate person occupying the dwelling to receive assistance must be income eligible.
      ii. The life estate agreement terms must be written, signed, and recorded in the public records of Cameron County, Texas.
      iii. The holders of the remainder interest in the dwelling must agree, in writing, to repay the loan if the dwelling ceases to be the principal place of residence of the current life estate person(s) during the affordability period.
      iv. Both the owner of the life estate and the holder(s) of the remainder interest must sign program documents.
      v. The holder(s) of the remainder interest must sign the “Life estate Responsibility” form.

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<th>DEFERRED LOAN MATRIX</th>
<th>10 Year Deferred-Maximum of $18,000</th>
<th>5 Year Deferred-Maximum of $25,000</th>
<th>10 Year Deferred-Maximum of $25,000</th>
<th>10 Year Deferred-$25,000+</th>
<th>Low Interest Loan</th>
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<td>Elderly Head of Household 62-65 with non disabled adult household members (Low Income)</td>
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2. **Terms:** Deferred Loans are for a maximum of $18,000.00 per home, and shall be forgiven at a rate of 1/5th or 1/10th per year for elderly (H OH) Applicants (62 to 65) and disabled (HOH) Applicants.

3. Deferred Loans for elderly HOH Applicants and/or their Spouse (66 to 70) shall be forgiven at a rate of 1/5th per year for a maximum of $25,000.00.
Deferred Loans for elderly HOH Applicants (71 and up) and/or their Spouse shall be forgiven at a rate of 1/5th for the first $25,000.00 and at a rate of 1/10th for any remaining balance (to run concurrently).

Deferred Loans less any amounts forgiven shall be due and payable upon the occurrence of any one or more of the following events:

a. Sale of the property by Applicant(s); or
b. Lease or conveyance of property by Applicant(s) for a period exceeding thirty (30) calendar days, or;
c. Applicant(s) ceases to reside or dwell in and on the property for a continuous period of thirty (30) days.

2. Qualified applicants who own a home built prior to 1978 will be provided a grant that covers 100% of the total expense to perform a Lead-Based Paint Risk Assessment/Inspection, all lab fees, interim controls and/or abatement procedures and clearance testing to ensure that the home is lead safe. Lead Base Paint requirements do not apply to reconstruction.

3. Upon the death of Homeowner(s), the City may at its option;
   a. either—declare the un-forgiven portion of the Note to be immediately due and payable or
   b. renegotiate the note with the household member(s) or
   a-c. renegotiate a new note with the new homeowner to provide for payment of principal and interest (if applicable)—providing the new homeowner meets HUD low income guidelines.

EMERGENCY REHABILITATION LOAN PROGRAM

The Emergency Rehabilitation Loan program provides the Community Development Department with the ability to help those homeowners with severe housing deficiencies.

1. An emergency is defined as conditions that render a house uninhabitable, extremely dangerous to the occupants, or that are capable of causing severe health problems.

2. When a homeowner requests assistance, either during or between application periods and shows an emergency exists, the Housing Rehabilitation Specialist conducts a rough inspection to verify the extent of the emergency.

3. Because this program is derived from the Housing Rehabilitation Program, the applicant must fulfill all of the requirements for the 0% Interest Loan program and requirements listed in this section.
   a. DEFINITION OF EMERGENCY: An emergency is defined as conditions that render a house uninhabitable, extremely dangerous to the occupants, or that are capable of causing severe health problems. The Housing Rehabilitation Specialist will determine if an emergency exists, and provide the appropriate documentation. Emergencies may consist of but not be limited to, leaking roofs, hazardous wiring and meter service, backed up or damaged sewer lines, damaged water lines and water heater breakage or malfunction.
b. NO PROPERTIES IDENTIFIED BY THE CODE ENFORCEMENT OFFICER FOR DEMOLITION MAY BE HELPED UNDER THE EMERGENCY LOAN PROGRAM.

4. The maximum amount for an emergency loan is $3,000.00, and will be made at 0% interest.
5. Cases involving a catastrophic loss resulting from a fire, flood or natural disaster may be afforded rehabilitation or reconstruction services. All other program requirements apply, the only difference being that requests for assistance under this program are kept on a separate waiting list and will therefore be addressed more quickly but also on a first-come, first-serve basis. Assistance will be provided in the form of deferred and low interest loans as stated elsewhere. Applicant must have proof of occupancy at the time of the catastrophic loss.

Section 11 - LEAD BASE PAINT TESTING AND LEAD HAZARD REDUCTION PLAN

All Applicants qualifying for assistance under any of the loan programs for rehabilitation will have their homes tested for lead based paint according to HUD guidelines if their home was constructed prior to 1978 except those properties exempt under the following:

Emergency action activities.

Existence of Lead Based Paint unlikely:

- Areas where state and local governments banned lead based paint prior to January 1, 1978.
- Properties found not to contain lead based paint during earlier testing that meets the requirements of prior evaluations.
- Properties where all lead based paint has been identified and removed using approved methods.

Human threat Unlikely:

- Unoccupied units that will be demolished.
- Property not used for human residential habitation.
- Rehabilitation that does not disturb paint.

Homeowners shall be provided with information about the hazards of lead based paint. Testing shall be completed by a certified lead based paint testing professional. Personnel shall be required to follow all HUD standards regarding the testing of lead base paint.

The following actions must be taken to protect occupants from lead-based paint hazards associated with lead hazard reduction activities.

- Occupants may not enter the worksite during lead hazard reduction activities.
Reentry is permitted only after lead hazard reduction activities are completed and the dwelling has passed a clearance examination.

- Occupants of the unit must temporarily relocate during lead hazard reduction activities. Relocation shall be voluntary as part of the program assistance to be provided. Relocation must be done before lead hazard reduction activities begin.

Relocation is recommended when lead reduction procedures require that:
1) Utilities such as water, electricity, and gas are turned off for periods exceeding eight hours.
2) Lead reduction takes place in the kitchen or available bathrooms.
3) Extensive lead reduction in several rooms requiring work over several days.
4) Occupants cannot be prevented from entering the containment site after hours.
5) Debris and lead dust cannot be contained in the worksite and may spread to occupied areas.
6) A pregnant woman or a child under the age of six occupies the home.

Circumstances when occupant relocation is not required:
1) Treatment will not disturb lead-based paint or lead-contaminated dust.
2) Treatment of the interior will be completed within one period in eight daytime hours, the site will be contained, and the work will not create other safety, health, or environmental hazards.
3) Only the building’s exterior is treated; the windows, doors, ventilation intakes, and other openings near the worksite are sealed during hazard reduction activities and cleaned afterward; and a lead safe entry is provided.
4) Treatment will be completed within five calendar days; the work area is sealed; at the end of each day, the area within 10 feet of the containment area is cleared of debris; at the end of each day, occupants have safe access to sleeping areas, bathroom, and kitchen facilities; and treatment does not create other safety, health, or environmental hazards.

Occupants belongings should be protected from lead contamination during lead hazard reduction activities by relocating or covering and sealing them and ensure that the worksite is secured.

Section 12 - PROGRAM IMPLEMENTATION

METHOD OF IMPLEMENTATION FOR 0, 1 or 2% INTEREST, DEFERRED, RECONSTRUCTION AND EMERGENCY LOAN PROGRAMS

1. Applications for assistance under any of the programs contained herein will be processed and reviewed by the Community Development Staff.
2. The Community Development Staff will formally accept or reject all applications for assistance based on meeting program requirements by staff review of submitted information received from the applicant, the credit reporting agency, Title Company, etc.
3. Applications for program assistance will be taken on a "first come first serve" basis, except in emergency assistance cases.
4. Applicants will be chosen for eligibility review from a waiting list.
5. If an applicant is eligible for assistance, the Community Development Staff will help homeowner, if he so chooses, through the bidding process by advertising for proposals and receiving bids from general contractors.

6. The Homeowner(s) may elect to seek a bid proposal from any qualified contractor on their own.

7. **Any contractor selected by homeowner(s) shall apply for contractor eligibility through the Community Development Department, and must be approved before bidding on a project.**

8. Bid proposals must be according to the guidelines established by the Community Development Department to ensure compliance with the requirements applicable to the use of federal funds.

9. Homeowners Insurance shall be required for any home assisted through the Community Development Department’s Housing Rehabilitation/Reconstruction Program, through an escrow account for taxes and insurance, and to keep said insurance in full force and effect for the duration of the loan.

10. Recipients of Low Interest Loans or Deferred loans shall be required to maintain insurance upon completion of the improvements and for the duration of the loan. Failure to do so may result in ineligibility for future assistance.

11. Recipients of low interest loans or deferred loans **will be required to maintain tax and insurance escrow accounts any time during the duration of the loan.**

12. In order to ensure maximum use of CDBG funds, the lowest qualified bidder will be awarded the rehabilitation/reconstruction project. In cases where the lowest bid exceeds the loan limit, the Homeowner(s) will have the option of:
   a. Paying the difference over the maximum loan amount, or
   b. Reducing the amount of work to be done to comply with the maximum loan limits (although all safety, health and code violations shall not be omitted from specifications), or
   c. The home may be rejected from participation in the rehabilitation program as said property will be considered beyond rehabilitation program assistance, and the project can be considered for the reconstruction program or referred to **the other affordable housing providers Harlingen Community Development Corporation’s (HCDC) housing programs.**
   d. In most cases, a maximum of two contracts per cycle will be awarded per Contractor. This limit may be waived by the Community Development Director if the lowest responsible bidder has demonstrated prior capacity and performance experience in our program,
   e. Contractors bidding for the first time, and being the low bidder on more than one home, will only be awarded one home.

13. After the Contractor has been selected, the Community Development Staff will fund for assistance through one or more of the programs previously described.

14. All activities undertaken in the Housing Rehabilitation/Reconstruction Program are subject to the conditions and provisions set forth in the program's Mechanic's Lien Contract, Rehabilitation/Reconstruction Contract, Deed of Trust, Promissory Note, etc., which is signed by both the Contractor and Homeowner(s) before commencement of the work.
15. If an unforeseen problem arises during the construction period, a change order may be submitted.

16. Change orders, if necessary, will be reviewed on a case by case basis and must be approved in writing by the Housing Rehabilitation Specialist, Community Development Director, Contractor and Homeowner(s) before proceeding with the work being requested.

17. Loan amount including change orders may not exceed the maximum loan limits, unless an unforeseen problem arises such as (including, but not limited to):
   a. Deteriorated roof decking
   b. Deteriorated foundation beams
   c. Faulty electrical wiring
   d. Damaged plumbing lines (gas, water, sewer)
   e. Interior wall and roof framing damage.

18. Change orders for unforeseen items, may not exceed 15% of the maximum loan limits or 25% of the original bid amount.

19. All participants (Applicants and Contractors) must abide by the Housing Rehabilitation/Reconstruction Program Guidelines and procedures as established by the Community Development Housing Program Staff to participate in the program.

20. The Housing Rehabilitation Specialist will:
   a. Assist the Homeowner(s) in ensuring that all work is completed and passes city inspection according to established specifications, floor plans and/or City's Building Code and Ordinances.
   b. Conduct a final inspection of the structure when notified to do so in writing by the Contractor.
   c. When final inspection determines that the rehabilitation/reconstruction work has been satisfactorily completed according to the Specifications, floor plans, construction contract, City of Harlingen's Housing Rehabilitation/Reconstruction Performance Manual and all applicable City Codes and Ordinances, and obtain from the Contractor a signed "Contractor's Affidavit", along with affidavits from the electrician’s and plumber’s if applicable. Warranties for specific items will also be requested from Contractor before final payment is made.

21. Homeowners and Contractors are encouraged to resolve any dispute among themselves.

22. If Homeowner(s) and Contractor are not able to reach a mutual agreeable solution, then the dispute may be brought before the Community Development Department to review the situation and make a resolution ruling.

23. If the ruling is unacceptable by both parties, then the parties may seek legal recourse. The City of Harlingen will not be a party to such litigation.

24. Applicants who cancel applications after title search, credit report, lead based paint inspection/testing, and/or specifications have been made shall be charged for the soft costs expended if they reapply in the future.

25. Applicants who postpone their applications will be placed at the bottom of the waiting list.
26. The City of Harlingen will maintain all applications and files as required by the U.S. Department of Housing and Urban Development, and will be available for review by the U.S. Department of Housing and Urban Development Staff.

27. Where collection of regular monthly payments is required, the Housing Rehabilitation Staff will provide the Homeowner(s) with a payment booklet along with a copy of all documents signed by the parties involved.

28. Housing Rehabilitation Staff will establish escrow accounts for taxes and insurance for those assisted.

29. All homes require a Windstorm Inspection and certificate.

Section 13 - CONFLICT OF INTEREST

The City of Harlingen covenants that neither member of its organization nor staff member who exercises influence on the decision making process presently has or will have any interest, direct or indirect, with any person, corporation, company or association hired to carry out any program activities or is a beneficiary of any program activity. All program participants will be required to sign a Conflict of Interest statement under which any existing or potential conflict of interest must be revealed.

Section 14 - STAFF INSPECTION- PLANS - SPECIFICATIONS

The Housing Rehabilitation Specialist will visit the site of the proposed project to do an inspection of the home and develop a preliminary work write-up.

1. In regard to rehabilitation, primary areas to be inspected and evaluated will be those outlined in the International Property Maintenance Code. This code provides the minimum requirements necessary to maintain any residential occupancy in a safe and sanitary condition. Compliance with the American Disability Act will be required for those persons assisted with a physical disability.

2. Following the preliminary inspection, the Housing Rehabilitation Specialist will help Homeowner(s) in developing a floor plan and specifications explaining work that is to be needed to make the home safe, decent, and sanitary.

Section 15 - RECONSTRUCTION PLANS & SPECIFICATIONS

Reconstruction consists of demolishing and rebuilding a housing unit on the same lot.

1. The number of housing units on the lot may not be increased as part of the reconstruction, however the number of rooms may be decreased or increased.

2. Standard 2 and 3 bedroom floor plans and specifications developed by the Community Development Department to meet all applicable codes shall be used for all reconstruction projects.

3. There shall be no exceptions or deviations except for handicapped accessibility and property and/or utility constraints.
Section 16 - REHABILITATION PLANS & SPECIFICATIONS

After the floor plan and specifications have been completed, the Housing Rehabilitation Specialist will provide applicant with a preliminary cost estimate for all repairs to be made on home.

If the estimated construction cost exceeds the maximum loan limits, and applicant cannot pay for the excess cost to meet codes adopted by the City, the Housing Rehabilitation Specialist shall refer the applicant to be considered for reconstruction or be referred to other affordable housing providers Harlingen Community Development Corporation (HCDC) for consideration in their housing programs. If the project cannot be qualified under any program, the Housing Rehabilitation Specialist shall recommend that the project be rejected.

Section 17 - REHABILITATION/RECONSTRUCTION

Upon approval of the plans and specifications by Homeowner, the Housing Rehabilitation Specialist will develop detailed bid specifications and floor plans to provide bidding Contractors with a description of all work that is to be completed.

Detailed specifications will include a floor plan of the structure and a detailed description of all work to be done. Applicant will be required to sign a "Certificate of Acceptance" form. This is to confirm their agreement and full understanding of the scope of assistance to be provided.

Section 18 - OBTAINING BIDS FOR CONSTRUCTION

The Community Development Department will assist Homeowners through the bidding process by advertising for bidders via local newspaper, internet, email, or fax.

1. A minimum of fifteen (15) days will be given to allow Contractors enough time to prepare a bid and meet HUD regulations.
2. Staff will hold a pre-bid conference with all bidding Contractors to discuss any questions regarding specifications, floor plans and site locations.
3. Contractors must submit bids for Housing Rehabilitation projects to the Community Development Department in a sealed envelope within the time allotted, as specified in advertisement for bids, otherwise bids will not be considered.
4. All bids will be opened at a scheduled bid opening as specified in advertisement for bids.
5. Contractors will be awarded a maximum of two (2) contracts per bidding cycle. This limit may be waived by the Community Development Director provided that the Contractor has demonstrated capacity and experience on prior projects with the City of Harlingen Community Development Department and negotiations with the second lowest bidder have failed. In the case that a Contractor is determined to be the lowest bidder on more than two contracts and does not have the demonstrated experience and capacity, the contracts
to be awarded to the next lowest bidder upon determination the bid is reasonable and justifiable. The remaining bids will be awarded to the next lowest qualified bidder(s). Contractors bidding for the first time, and being low bidder on more than one home, will only be awarded one home.

6. Bidders proposals will be in effect for thirty (30) days after correctly submitting bid.

7. Upon award of a bid, Homeowner(s) shall issue a Notice to Proceed to Contractor no later than fifteen (15) days from the bid award date.

8. If the foregoing time limits are exceeded, it shall be the Bidders prerogative to withdraw his/her bid in writing, if he/she so desires.

9. If all bids are over the maximum loan limit amount, bids will be reviewed by the Homeowner(s) and Housing Rehabilitation Specialist to decide what items, if any, listed in the Specifications can be eliminated, but still address all code related repairs.
   a. Non code related repairs may be eliminated to bring project within maximum loan limits.
   b. If project cannot be reduced to the maximum loan limit amount, the applicant may choose to pay the difference, up to 20% of the loan limit amount.

10. Once a Contractor has been selected, authorization to start construction will be in a Notice to Proceed Order to the Contractor.

11. Contractor will be required to start construction on project within ten (10) working days of contract signing.

12. Following approval of loans by Department, the Community Development Staff will prepare loan documents, and notify applicant of the closing date.

13. During the loan closing process, all necessary loan documents and construction contracts will be signed by Homeowner(s) and Contractor.

14. The Homeowner, Contractor, and Community Development Staff shall attend the loan closing.

15. Contractors must register with the Community Development Department and Building Inspections Department.

Section 19 - PREPARATION, RECEIPT AND OPENING OF BIDS

Each bid must be submitted on the supplied form and be accompanied by:

1. Non-Collusion Affidavit;

2. Agreement to provide the following:
   a. Proof of General Contractor’s and Subcontractor’s (plumbers, electricians, etc.) registration with the City of Harlingen.
   b. List of all subcontractors:
      a-c. Proof of General Liability & Automobile Insurance

3. Bids will be received by the Community Development Department of the City of Harlingen until date and time specified on public notice, and then publicly opened and read aloud.

4. The envelopes containing the bids must be sealed, addressed to the City of Harlingen, Community Development Dept. 502 E. Tyler, Harlingen, Texas.

5. The City may consider informal any bid not prepared and submitted in accordance with the provisions thereof and may waive any informalities or
reject any and all bids. Any bid may be withdrawn prior to the above
scheduled time for the opening of bids or authorized postponement thereof.

6. Any bid received after the time and date specified shall not be considered.
7. Two qualified bids correctly submitted as specified above, shall be preferred
per bid opening on each project.
8. The City reserves the right to reject any or all bids.

9. All required forms must be submitted at the time of bid opening.

10. Contractor and subcontractors must be in good standing and not be indebted
to the City of Harlingen.

Section 20 - QUALIFICATIONS OF BIDDERS

1. The City may make investigations as deemed necessary to determine the
ability of the bidder to perform the rehabilitation/reconstruction work and the
bidder shall furnish to the City of Harlingen all such information and dates for
the purpose as the City may request.

2. The City reserves the right to reject any bid if the evidence submitted by or
investigation of, such bidder fails to satisfy the City that such bidder is
properly qualified to carry out the obligations of the contract and to complete
the work contemplated therein.

3. Conditional bids will not be accepted.
4. Bidder must agree to commence work on or before a date to be specified in a
written "Notice to Proceed" from the Homeowner(s) and to fully complete the
improvements within the time period determined by the Housing
Rehabilitation—Specialist specified in the contract between the
Homeowner(s) and Contractor.

5. Bidder must agree to also pay, as a penalty for not complying with the time
specified in the Contract, the sum of $75.00 for each working day beyond the
time specified.

6. Each bidder must inform himself/herself fully of the conditions relating to the
construction of the project and the employment of labor thereon.

7. Contractor/Bidder will acknowledge that he/she is familiar with conditions
enabling him to estimate costs or work as called for.

8. Quantities and dimensions as indicated on specifications and floor plans are
approximate.

9. It is the Contractors responsibility to verify all quantities and dimensions for
the purpose of estimating. Failure to do so will not relieve a successful bidder
of his obligations to furnish all material and labor necessary to carry out the
provisions of his/her contract.

10. Insofar as possible, the Contractor, in carrying out his/her work must employ
such methods or means as will not cause any interruption of, or interference
with the work of any other Contractor.

11. If a Homeowner remains in the home during rehabilitation of the home, and a
utility is to be turned off for rehabilitation purposes, and left off for more than
twenty-four hours, there will be a fine of $50.00 per day unless temporary
facilities are set up on the premises at the Contractor’s expense.

12. No interpretation of the meaning of the plans, specifications or other pre-bid
documents will be made to any bidder orally.
13. Any and all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be mailed to all prospective bidders or may be distributed at the pre-bid conference.

14. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted.

15. All addendums so issued shall become a part of the Contract documents.

16. The Bidder's attention is directed to the fact that all applicable State Laws, Municipal Ordinances and the rules and regulations of all authorities having jurisdiction over construction of the project shall apply to the contract throughout and they will be deemed to be included in the contract the same as though herein written out in full.

17. At the time of opening of bids, each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans, specifications and contract documents (including all addendum and/or interpretations).

18. The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve any bidder from obligation in respect of his/her bid.

Section 21 - CONSTRUCTION

During the construction phase, the Housing Rehabilitation Specialist will make periodic inspections to ensure work is completed in a satisfactory manner and to ensure compliance with specifications, floor plans, City codes, City of Harlingen Housing Rehabilitation Performance Manual and other terms and conditions of the construction contract.

Section 22 - CONTRACTOR REQUIREMENTS AND RESPONSIBILITIES

1. Contractors shall be required to furnish evidence of the following:
   a. Commercial General Liability Insurance protecting the Owner(s) in an amount of not less than $300,000.00 Each Occurrence, $300,000.00 General Aggregate;
   b. $300,000.00 Products & Completed Operations Aggregate in case of bodily injury including death and property damage (inclusion of Builder's Risk Ins.) arising out of the work performed by or on behalf of the Contractor;
   c. Automobile Liability Insurance coverage in an amount of at least $20,000.00 each person, $40,000.00 each accident for bodily injury including death and $15,000.00 for property damage, as required by the Texas Safety Responsibility Act.

2. Plumbers and Electricians hired by Contractors must have master license for their respective trades and have their professions registered with the City of Harlingen. Plumbers and Electricians will be required to obtain their own permits.

3. General Contractor will not be allowed to pick up permits for their Plumbers or Electricians.

4. Contractor shall be required to obtain all necessary building permits before starting construction.
5. Contractor will also call upon the proper authorities for code compliance inspections and assume the fee for the same.
6. Contractor shall submit sealed bids promptly and accurately to the Community Development Department at 502 E. Tyler, Harlingen Texas, on or before the time specified in the bid packet.
7. Contractors will be allowed to visit proposed construction sites after bid packets are issued.
8. During the pre-bid conference Contractor will clarify if so needed, with the Housing Rehabilitation Staff, any item stated on the specifications, otherwise, the specifications shall remain as written.
9. Contractor shall review specifications with accompanying floor plans so that any item or any work specified in either the specifications or floor plans are to be executed the same as if occurring in both.
10. Any items of labor or articles of materials that are neither directly nor indirectly shown on the drawings or mentioned in the specifications but are nevertheless necessary for proper completion of the obvious intention hereof, are to be provided by the Contractor in his bid.
11. Should any drawings or dimensions be omitted on the scale drawings where are necessary for a clear and comprehensive understanding, or should any errors appear in either, it will be the responsibility of the Contractor to advise the proper parties, but not go on with the work in uncertainty.
12. All materials of all kinds and character, except those materials included in the contract of a subcontractor, are to be furnished by the General Contractor unless otherwise therein described.
13. The Contractor is to furnish all transportation, labor, materials, apparatuses and tools for doing the entire work in the best possible and most rapid manner; and to its entire proper and substantial completion.
14. The Contractor shall be responsible for removal or trimming of any trees, shrubs, etc.
15. The Contractor shall be held responsible for any violation of City Ordinances.
16. The Contractor shall remove all rubbish, waste material and construction material from site no less than once a week, and keep the premises as clean as possible during the process of the rehabilitation/reconstruction work.
17. At the time of project completion, the Contractor shall deliver the building in a broom clean condition.
18. Contractor shall be required to commence work within ten (10) working days from contract signing (or as stated in the Notice to Proceed), and shall meet deadline for completion of project as specified in the Construction Contract.
19. Contractor shall follow Lead Base Paint Safe Work Practices in the event lead base paint is found in the home.
20. Any Contractor exceeding the deadline will be penalized according to the Construction Contract. Contractors will be given one additional work day for every approved rain day during the construction period as specified in the Construction Contract.
21. All labor is to be done in a skillful and thorough manner. All material to be of the dimension, design and grade as specified.
22. Unless specified otherwise, any patented materials specified by trade name are to be applied or installed strictly according to manufacturer's specifications.
23. Contractor shall be responsible for any subcontractors hired to do any part of this contract.
24. Contractor will be allowed one extension on each job, providing said extension is justifiable and requested by Contractor in writing.
25. Any telephone wiring removed or damaged by Contractor or Subcontractor shall be replaced or reinstalled at Contractor's expense.
26. Property items that do not call for removal on the specifications shall be reinstalled or replaced by Contractor before final inspection.
27. Contractor shall request final inspection only when the job is 100% complete.
28. Final inspection shall include among other requirements, trash removal from premises.
29. Plumbing and electrical work will need to be inspected and approved by the City of Harlingen Building Inspection Department before final payment can be made to General Contractor.
30. When job is 100% complete, the Contractor shall submit a General Contractor's notarized sworn affidavit that all material suppliers and subcontractors have been fully paid, and liens against the property have been released.
31. Contractor shall submit all pay requests in writing, no less than five (5) working days before payment being **issued**.
32. Drawdown requests for contractor payments will not be processed until all documents for payment have been signed by Homeowner, Contractor and Community Development Staff.
33. Payments to General Contractor for Rehabilitation Loans will be made out according to completion percentage as specified below:

- 30% of contract at 33% completion
- 30% of contract at 66% completion
- 30% of contract at 100% completion
- 10% of contract three (3) months after completion
- 100%

Payments on Reconstruction Loans will be based on percentages approved by the Rehabilitation/Reconstruction Specialist/Inspector.

**Section 23 - GUARANTEES & WARRANTIES**

1. Contractor shall guarantee all work detailed in the specifications for three (3) months (see exceptions below) from date of final acceptance by Homeowner(s) and the Community Development Department.
2. All Homeowner complaints regarding repairs during the three-month guarantee period shall be submitted in writing to the Community Development Department within the time required by the Community Development Department.
3. Prompt action to remedy defects during the 3 month period is required from Contractor upon verbal notice from Community Development Staff.
4. Contractor must respond to life, health, and safety defects within 24 hours.
5. Contractor shall give Homeowner(s) and the Community Development Department a copy of all manufacturer’s and suppliers written warranties.
covering material and equipment furnished under the contract from Contractor.

6. Contractor shall present Homeowner(s) and the Community Development Department, at a minimum, written copies of manufacturer warranties as follows:
   a. Shingle Roofing (Copy of manufacturer’s warranty (Min 25 year)
   b. Water Heater
   c. Air Conditioning/Heating equipment

7. Guarantee periods (beside manufacturers warranties) are as follows:

   1 year: for any newly installed sheetrock, framing, insulation, exterior siding and trim, roofing, flooring, foundation (leveling) exterior and interior doors and windows.

   2 years: New electrical wiring, plumbing lines and central air conditioning and heating.

Section 24 – REHABILITATION/RECONSTRUCTION DEFICIENCIES

1. Deficiencies during the 1 to 2 year warranty period must be corrected within ten (10) working days from Contractor being notified by the Homeowner(s) or in some cases from the City of Harlingen Community Development Department on behalf of Homeowner, unless a danger exists to Homeowner. In this case repairs shall be done immediately upon notice.

2. If Contractor fails to repair said items after verbal notice, Contractor will be notified via certified mail to correct items within 10 days upon receipt of said notice. However, if a danger exists, repairs shall be done immediately upon notice.

3. If Contractor fails to repair said warranty items within the ten (10)-day period in the certified notice, the Homeowner has the option of requesting in writing that the City hire another Contractor to make repairs.

4. If a Contractor fails to honor any work covered during the warranty he shall be deemed ineligible for any future program participation.

5. With respect to all work performed under this contract, the Contractor shall:
   a. Comply with the safety standard provisions of applicable laws, building and construction code and the "Manual of Accident prevention in Construction" published by the Associated General Contractors of America," the requirements of the Occupational Safety and Health Act of 1970, (Public law 91-956), and the requirements of Title 29 of the Code of Federal Regulations Sec. 1918, as published in the Federal Register Vol. 36, #75, Saturday, April 17, 1971.
   b. Exercise every precaution at all times for the prevention of accidents and the protection of persons (including employees), and property.
   c. Maintain at his/her office or other well-known place at the job site, all articles necessary to give first aid to the injured, and shall make standing arrangements for the immediate removal to a hospital or a doctors care of persons (including employees who may be injured on the job site.)
d. In no case shall employees be allowed to work at a job site before the employer has arranged for removal of the injured person(s) to a hospital or doctor's care.

**Section 25 - SUB-CONTRACTORS**

The General Contractors are specifically advised that any person, firm or party to whom it is proposed to award a subcontract under this contract must:

1. Be acceptable to both the Homeowner(s) and the Community Development Department.

2. Submit a certification by proposed subcontractor concerning Labor Standards and prevailing wage requirements (HUD Form 1422).

3. Approval of the proposed contract award cannot be given by the Community Development Department unless and until the proposed subcontractor has submitted the required documentation stipulated in the bid documents.

4. Approval of the proposed contract award cannot be given by the Community Development Department unless and until the proposed subcontractor has submitted the required documentation stipulated in the bid documents.

5. Electrician, mechanical, and plumbing subcontractors will obtain permits from the Harlingen Building Inspection office. General Contractors will not be allowed to pick up permits for Plumbers or Electricians.

**Section 26 - GRIEVANCE POLICY**

1. The Grievance Policy of the Community Development Housing Rehabilitation Program of the City of Harlingen provides for a Grievance Committee to hear and review any complaints directly related to the Housing Rehabilitation/Reconstruction Program.

2. A three member subcommittee herein called the "CDAB Rehabilitation Grievance Committee" shall meet when necessary to review any problems arising from the Housing Rehabilitation/Reconstruction Program which may not have been satisfactorily resolved by the Community Development Staff.

3. Any person who has applied for participation and/or received assistance under the Housing Rehabilitation/Reconstruction Program may register any complaints in writing with the Community Development Department.

4. The Community Development Director shall have thirty (30) days to respond to said complaint.

5. If Community Development Director's response is unsatisfactory, Complainant may then request in writing a review of the matter by the CDAB Rehabilitation Grievance Committee.

6. Date for Grievance Committee meeting shall be set within forty-five (45) days from receipt of complaint. Complainant shall be notified of such date.

7. The Rehabilitation Grievance Committee shall review complaint as registered in writing. Review will contain:
   a. Initial written complaint submitted to the Community Development Director.
b. Response from the Community Development Director.
c. Complainants request for review by the CDAB Rehabilitation Grievance Committee.
d. Any information provided by Complainant or Housing Rehabilitation Staff directly related to the written complaint.

8. Complainant and Community Development Staff may be present for Committee Review.
9. The CDAB Rehabilitation Grievance Committee, upon reviewing all related information to complaint, shall meet in closed session to reach a consensus decision.
10. The decision shall be provided in writing to Community Development Director and Complainant within fifteen (15) days of the meeting.
11. The CDAB Rehabilitation Grievance Committee has no legal power to alter any contract, agreement, or document of the City of Harlingen, but shall act in an advisory capacity to correct the issue being reviewed.
12. The elective commission of the City of Harlingen shall have the final decision regarding any action of the CDAB Rehabilitation Grievance Committee.
13. If Complainant is dissatisfied with the decision of the CDAB Rehabilitation Grievance Committee, Complainant may then write to the U.S. Department of Housing and Urban Development (the funding agency for the Community Development Block Grant Program).

Section 27 - CONTRACT PROVISIONS

1. The City of Harlingen may make such investigations as deemed necessary to determine the ability of the Contractor to perform the rehabilitation work and the Contractor will furnish to the City all such information and dates for the purpose as the City may request.
2. The City reserves the right to reject any bid if the evidence submitted by or investigation of such Contractor fails to satisfy the City that such Contractor is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
3. Failure to comply with all provisions of the Program Guidelines, the Housing Rehabilitation/Reconstruction Contract, City of Harlingen's Contractors Performance Manual and all applicable City Codes' and Ordinances will constitute grounds for corrective action by the City and may disqualify Contractors participation in the Housing Rehabilitation/Reconstruction Program.
4. If Contractor disagrees with the Community Development Departments determination, he/she may appeal the decision by requesting, in writing to go before the CDAB Rehabilitation Grievance Committee.

Section 28 – DELINQUENT ACCOUNT COLLECTION POLICY

The Community Development Department for the City of Harlingen will follow the procedures below when a payment on an account is more than 30 days late.

When an account becomes 30 days delinquent, a reminder notice via phone, email, or mail will be sent.
If a payment is not received after the reminder notice, the following All notices shall be sent to the last known address via certified mail, return receipt requested and regular mail, or via email.

1. First notification of delinquency will be sent by departmental staff the Accounting Specialist and/or Loan Counselor when 30 days have lapsed since a payment has been received on the account.

2. Second notification of delinquency will be sent by the Director when 60 days have lapsed since a payment has been received on the account.

3. Third notification (Notice of Intent to Accelerate) will be sent by City Attorney when 90 days have lapsed since a payment has been received on the account.

4. Fourth notification (Notice to Accelerate) will be sent by City Attorney 30 days after “Notice of Intent to Accelerate” has been received.

5. Upon failure to respond to the above notices, proceedings to foreclose will be initiated by the City Attorney.

Section 29 – DOCUMENT MAINTENANCE

These guidelines/policies will undergo the normal periodic process of revisions, corrections, and additions to ensure compliance with federal regulations and the intent of the program. Any changes due to statutory or regulatory requirements or changes to existing policies approved by the Board to incorporate changes made to existing policies codified in the Code of Federal Regulations are also considered as non-significant and can be approved at the staff level.

Community Development Advisory Board Approval: June 30, 2016
Section 29 - PROGRAM DOCUMENTS

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<th>Rehabilitation/Reconstruction Tracking Sheet</th>
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Program Application

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Eligibility Release Form
Financial Privacy Notice
HUD Program Application Requirements
Affidavit of Homeowner
Certification of Zero Income
Income Tax Verification
Confirmation of Receipt of Lead Pamphlet (Protect your Family)
Confirmation of Receipt of Renovate Right pamphlet

Medical Necessity Form
Verification Forms

Employment
Assets
Pension & Annuities
Public Assistance
VA Benefits
Child Support Payments
Mortgage

Life Estate Responsibility
Rehabilitation & Reconstruction Tracking Sheet
Household Income Certification (HIC)
Household Annual Income Form
Preliminary Cost Estimate Form
Letter of Acceptance/Denial
Homeowners Bid Authorization form

<table>
<thead>
<tr>
<th>Waiver of Handicapped Accessible Items</th>
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Certification of Acceptance
Agreement to Participate
Bid Tabulation with homeowners approval
Award Letter to Contractor

<table>
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<tr>
<th>Waiver of Handicapped Accessible Items</th>
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Construction Contract
Truth In Lending Disclosure
Notice of Right to Cancel
Deed of Trust

<table>
<thead>
<tr>
<th>Promissory Note &amp; amortization schedule</th>
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Mechanic’s Lien
Transfer of Lien
Notice of Lead Hazard Reduction
Contractors Application
Contractors Evaluation
Contractors Affidavit & Warranty

<table>
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# ATTACHMENT 1- INCOME LIMITS

## Brownsville-Harlingen MSA - Cameron County, Texas
### Effective March 6, 2015

<table>
<thead>
<tr>
<th>FY 2015 Income Limit Area</th>
<th>Median Income</th>
<th>FY 2015 Income Limit Category</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Person</th>
<th>8 Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brownsville-Harlingen, TX MSA</td>
<td>$35,400</td>
<td>Extremely Low (30%) Income Limits</td>
<td>$11,770</td>
<td>$15,930</td>
<td>$20,090</td>
<td>$24,250</td>
<td>$28,300*</td>
<td>$30,400*</td>
<td>$32,500*</td>
<td>$34,600*</td>
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<tr>
<td></td>
<td></td>
<td>Very Low (50%) Income Limits</td>
<td>$18,350</td>
<td>$21,000</td>
<td>$23,600</td>
<td>$26,200</td>
<td>$28,300</td>
<td>$30,400</td>
<td>$32,500</td>
<td>$34,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low (80%) Income Limits</td>
<td>$29,350</td>
<td>$33,550</td>
<td>$37,750</td>
<td>$41,900</td>
<td>$45,300</td>
<td>$48,650</td>
<td>$52,000</td>
<td>$55,350</td>
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## Brownsville-Harlingen MSA - Cameron County, Texas
### Effective April 13, 2016 (HOME LIMITS)

<table>
<thead>
<tr>
<th>FY 2016 Income Limit Area</th>
<th>Median Income</th>
<th>FY 2016 Income Limit Category</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
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<th>7 Person</th>
<th>8 Person</th>
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<tbody>
<tr>
<td>Brownsville-Harlingen, TX MSA</td>
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<td>Extremely Low (30%) Income Limits</td>
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<td>$15,700</td>
<td>$17,000</td>
<td>$18,250</td>
<td>$19,500</td>
<td>$20,750</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very Low (50%) Income Limits</td>
<td>$18,350</td>
<td>$21,000</td>
<td>$23,600</td>
<td>$26,200</td>
<td>$28,300</td>
<td>$30,400</td>
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<td>$34,600</td>
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<tr>
<td></td>
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<td>66% Limits</td>
<td>$22,020</td>
<td>$25,200</td>
<td>$28,320</td>
<td>$31,440</td>
<td>$33,960</td>
<td>$36,480</td>
<td>$39,000</td>
<td>$41,520</td>
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<tr>
<td></td>
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<td>Low (80%) Income Limits</td>
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<td>$45,300</td>
<td>$48,650</td>
<td>$52,000</td>
<td>$55,350</td>
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</tbody>
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* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.
ITEM #6
PUBLIC HEARING REGARDING AMENDMENTS TO THE CITIZEN PARTICIPATION PLAN
I. **AGENDA ITEM: Public Hearing** to hear comments on the proposed amendments to the Citizen Participation Plan and approval of the revised Citizen Participation Plan.

III. **BRIEF OVERVIEW:**

The City of Harlingen (City) must have a Citizen Participation Plan (CPP) that provides for and encourages public participation, emphasizing involvement by low and moderate income people—especially those living in low and moderate income neighborhoods.

The proposed changes to the City’s current CPP are required as per 24 CFR 91.105 which includes new language to incorporate 24 CFR Part 5 (Affirmatively Furthering Fair Housing). On March 14, 2016, HUD issued a Memorandum regarding incorporating 24 CFR Part 5 Affirmatively Furthering Fair Housing into 24 CFR 91.10 Consolidated Program Year, 24 CFR 91.105 Citizen Participation Plan for local governments, and 24 CFR 91.115 Citizen Participation Plan for States. This revisions to our CPP are drafted utilizing the Memorandum issued by HUD.

The additions are indicated in blue and are underlined. The deletions/relocations are indicated in pink with a strike through the lettering.

The CPP will be presented for approval to the City Commission on August 3, 2016. Comments on the proposed amendments will be received until 5:00 p.m. on July 11th, 2016.

Notice of amendment was published in the Valley Morning Star on June 24th, 2016; posted on the City’s web page, Library, Public Housing Developments, City Hall, and the Lon C. Hill Building on June 22, 2016; and emailed to those requesting to receive program notifications on June 24, 2016.

**Tammy DeGannes-Jackson, Community Development Director**
INTRODUCTION

The City of Harlingen is required by law (24 CFR Part 91.105) to have a detailed Citizen Participation Plan (CPP) which contains the City’s policies and procedures for public involvement in the Consolidated Plan process; when preparing an assessment of fair housing (AFH), and the use of Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with Aids (HOPWA) money. This Citizen Participation Plan must be available to the public.

ENCOURAGING PUBLIC PARTICIPATION

The law requires that our Citizen Participation Plan both provide for and encourage public participation, in the development of the AFH, any revisions to the AFH, the consolidated plan, any substantial amendments to the consolidated plan or annual action plan, and the annual performance report.

The following are encouraged to participate in the development of documents aforementioned:

emphasizing involvement by low and moderate income people—especially those living in low and moderate income neighborhoods, particularly those persons living in areas designated as a revitalization area or in a slum and blighted area where CDBG funds are proposed to be used.

Minorities, people who do not speak English, homeless individuals and families, and people with disabilities is encouraged. Citizens are encouraged to participate. Summaries of basic information about CDBG and HOME, the Consolidated Planning process; and AFH are to be made available in English and Spanish (when requested).

Local and regional institutions, Continuums of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community based and faith based organizations)

Local public housing agencies and residents of public housing (including any resident advisory boards, resident councils, and resident management corporations)

Also, the U.S. Department of Housing and Urban Development (HUD) expects Harlingen to take whatever actions are appropriate to encourage participation of minorities, people who do not speak English, and people with disabilities. Summaries of basic information about CDBG and HOME and the Consolidated Planning process are to be made available in English and Spanish. Persons requiring materials in another
THE ROLE OF LOW INCOME PEOPLE

The law declares that the primary purpose of the programs covered by this Citizen Participation Plan is to improve communities by providing: decent housing, a suitable living environment, and growing economic opportunities—all principally for low and moderate income people.

The amount of federal CDBG money Harlingen receives each year is mostly based upon the severity of both poverty and substandard housing conditions in Harlingen therefore, it is necessary that public participation genuinely involve low income residents who experience these conditions. Genuine involvement by low income people must take place at all stages of the process, including:

Identifying needs.

Setting priorities among these needs, deciding how much money should be allocated to each high-priority need, and suggesting the types of programs to meet high-priority needs.

Overseeing the way in which programs are carried out.

THE VARIOUS STAGES OF THE CONSOLIDATED PLAN PROCESS

STAGES

The policies and procedures in this Citizen Participation Plan relate to several stages of action mentioned in law or regulation. In general, these stages or events include:

1. Identification of housing and community development needs.
2. Preparation of a draft use of funds for the upcoming year, called the proposed Annual Action Plan. Sometimes there might also be the development of a proposed new Five-Year Strategic Consolidated Plan or the development of the Assessment of Fair Housing, and any amendments.
3. Formal approval by elected officials of a final Annual Action Plan or Five-Year Strategic Consolidated Plan.

4. On occasion during the year, it might be necessary to change the use of the money already budgeted in an Annual Action Plan, or to change the priorities established in the Five-Year Strategic Consolidated Plan. In that case, a formal Substantial Amendment will be proposed, considered, and acted upon.

4. After a “program year” is complete, an Annual Performance Report must be drafted for public review and comment, and then submitted to HUD.

THE PROGRAM YEAR

The “program year” chosen by Harlingen is October 1 through September 30.
PUBLIC NOTICE

**Items Covered by the Public Notice Requirement**

There shall be **5 days** advance public notice once a federally required document is available, such as for the development and any revisions to the AFH; proposed Annual Action Plan or Five-Year Consolidated Plan; any proposed Substantial Amendment to the Action Plan or Consolidated Plan; and the Annual Performance Report to give the public adequate notice.

In addition, there shall be advance public notice of all public hearings and all public meetings such as Community Development Advisory Board (CDAB) meetings relating to the funds or planning process covered by this Citizen Participation Plan.

**Adequate” Public Notice**

Adequate advance notice is “timely”; it is given with enough lead time for the public to take informed action. The amount of lead time can vary, depending on the event. Specific amounts of time are given for different events later in this Citizen Participation Plan. The content of notices will give residents a clear understanding of the event being announced.

**FORMS OF PUBLIC NOTICE**

1. Public notices will be published in a paper of general circulation such as the Valley Morning Star. However, in order to reach the majority of the City’s population, specifically the low to moderate income population, the City may opt to advertise in the Bargain Book.

2. Notices will be sent to any person or organization requesting to be on a mailing list.

3. Notice may also be sent to neighborhood organizations, public housing authority developments, radio and television media, and other persons or groups as deemed appropriate by the Community Development Department.

4. Notice may be posted on the internet through social media and on the City’s web page.

5. Notice may be posting at public libraries, government offices, and public places.

**PUBLIC ACCESS TO INFORMATION**

The City will provide citizens/residents, public agencies, and other interested parties with reasonable and timely access to the documents relating to the Consolidated Plan, and the use of assistance under the programs covered by the Plan for the preceding five years, as well as related to the AFH and its revisions.

For non English speaking citizens/residents, reasonable steps to provide language assistance to ensure meaningful access will be provided. Those speaking Spanish will be assisted by staff, board members, and officials whom are proficient in the Spanish language. Persons speaking another language

Persons requiring materials in a language other than English should contact the Community Development Staff at (956) 216-5180, 502 E. Tyler, Harlingen, TX 78550.

As required by law, Harlingen will provide the public with reasonable and timely access to information and records relating to the date or content of the Consolidated Plan, as
well as the proposed, actual, and past use of funds covered by this Citizen Participation Plan. Regarding the past use of funds, the law requires reasonable public access to records about any uses of these funds during the previous five years.

Also, as required by law, Harlingen will provide the public with reasonable and timely access to local meetings relating to the proposed or actual use of funds (such as Community Development Advisory Board meetings, City Commission meetings, etc).

Standard documents include:

- The proposed and final Annual Action Plan.
- The proposed and final Five-year Strategic (the “Consolidated Plan”).
- Proposed and final Substantial Amendments to either an Annual Action plan or the Five-Year Strategic Consolidated Plan.
- Annual Performance Reports. (APR/CAPER)
- Assessment of Fair Housing (AFH)
- Amendments or revisions to the AFH
- The Citizens Participation Plan.

AVAILABILITY OF STANDARD DOCUMENTS

In the spirit of encouraging public participation, copies of standard documents will be made available for office review. Summaries of standard documents will be provided to the public at no cost. These materials will be made available in a form accessible to persons with disabilities and to persons who do not speak English, whenever requested.

PLACES WHERE STANDARD DOCUMENTS ARE AVAILABLE

Standard documents will be available at the office of the Community Development Department located at 502 E. Tyler, Harlingen, TX, and the office of the City Secretary located at 118 E. Tyler, Harlingen, TX.

PUBLIC HEARINGS

Public hearings are required by law in order to obtain the public’s views and to provide the public with the City’s responses to public questions and proposals. The law requires public hearings at all stages of the process, including at least a hearing about community needs, a public hearing to review proposed uses of funds, and a public hearing to assess how funds were spent during the previous year. (More about these specific hearings is in the section of this Citizen Participation Plan relating to each of the “stages”)

Access To Public Hearings

Public hearings will be held only after there has been adequate notice as described in the Public Notice part of this Citizen Participation Plan, including an advertisement in the Valley Morning Star or Bargain Book not less than five (5) days prior to the public hearing.

Whenever possible, public hearings will be held at or after 5:36:00 p.m., a time convenient to most people who might benefit from the use of funds.
Public hearings will be held at places accessible, convenient and not intimidating to most people who might benefit from the use of funds. Locations may include the public library, Lon C. Hill Building Conference Room, Townhall, Public Housing Authority Developments, Schools, and other appropriate locations.

Public Hearings and Populations with Unique Needs

All Public Hearings will be held at locations accessible to people with disabilities, and provisions will be made for people with disabilities when requests are made at least three (3) working days prior to a meeting.

Translators will be provided for people who do not speak English when requests are made at least three (3) working days prior to a meeting. These services shall be provided at no charge to the public.

The Conduct of Public Hearings

To ensure that public hearings are meaningful to citizens/residents, each citizen/resident choosing to speak will be allowed five minutes to make a verbal presentation.

STAGES IN THE PROCESS

Identifying Needs

Housing and community development needs of low and moderate income people are so great and so diverse therefore, priorities must be set in order to decide which needs should get more attention and more resources than other needs. This is the basic reason the Consolidated Plan exists.

The laws and regulations require at least one (1) public hearing each year to obtain residents’ opinions about needs, and what priority those needs have. If time permits, public hearings will be held in different neighborhoods to determine the specific needs and priorities identified by low and moderate income people. At a minimum, two (2) public hearing will be held in order to allow citizens to actively participate in the community development process (Annual Action Plan and the CAPER).

Public hearings about needs will be completed 30 days before a draft Annual Action Plan/Five Year Strategy Consolidated Plan is published for comment, so that the needs identified can be considered by the City and addressed in the draft Annual Action Plan or Consolidated Plan/Five-Year-Strategy.

Assessment of Fair Housing

At, or as soon as feasible after the start of the public participation process, HUD provided data and any other supplemental information will be made available to its citizens/residents, public agencies, and other interested parties. The HUD-provided data available to the public by cross-referencing to the data on HUD's Web site.
The “Proposed” Annual Action Plan or Consolidated Plan (and/or Five-Year Strategy)

The law providing the funds covered by this Citizen Participation Plan calls for improved accountability of jurisdictions to the public. In that spirit and in compliance with the terms of the law, Harlingen will use the following procedures.

General Information

At the beginning of this stage, the City of Harlingen will provide the public with an estimate of the amount of CDBG, HOME, ESG, and HOPWA funds it expects to receive in the upcoming year, along with a description of the range of types of activities that can be funded with these resources. Also, the public will be given an estimate of the amount of these funds that will be used in ways that will benefit low and moderate income people.

The plans of the City of Harlingen to minimize the extent to which low and moderate income people will have to leave their homes as a result of the use of these federal dollars (called “displacement) will also be available at this time. This “anti-displacement plan” will also describe how Harlingen will compensate people who are actually displaced as a result of the use of these funds, specifying the type and amount of compensation.

The following steps represent the process:

- **Development of the Assessment of Fair Housing**
  a. Publish & Post notice.
  b. There shall be a 30 day comment period before final approval by the City Commission.
  c. There shall be a public hearing before the Community Development Advisory Board during the 30 day comment period.
  d. Send to HUD for final approval.

- **Consolidated Plan/Annual Action Plan**
  a. Publish & Post Notice of Funding Availability.
  b. A public hearing about the proposed Consolidated Plan/Annual Action Plan will be conducted by the City Commission at least 30 days before final approval allowing for additional comments.
  c. There shall be a public hearing before the Community Development Advisory Board during the comment period before final approval by the City Commission.
  d. Send to HUD for final approval.

- **Substantial Amendments**
  a. Publish & Post notice.
  b. There shall be a 30 day comment period.
  c. There shall be a public hearing before the Community Development Advisory Board during the comment period followed by a public hearing before the City Commission.
  d. Send to HUD for final approval.

- **Consolidated Annual Performance & Evaluation Report (CAPER)**
  a. Publish & Post notice.
  b. Hold public hearing.
  c. There shall be a 15 day comment period.
d. Submit to HUD for approval.

Technical Assistance

City staff will work with organizations and individuals representative of low and moderate income people who are interested in submitting an application to obtain funding for an activity. All potential applicants for funding are encouraged to contact City staff for technical assistance before completing an application/proposal for funding.

Availability of a Proposed Annual Action Plan, Consolidated Plan, CAPER and AFH/Five Year Strategy

Copies of the proposed Annual Action Plan/ Five Year Strategy Consolidated Plan will be made available to the public free of charge and without delay. In addition, copies will be available for viewing at the locations specified above in the section, “Public Access to Information.”

So that low and moderate income people can determine the degree to which they might be affected, they will be provided with a summary of the Proposed Annual Action Plan, Consolidated Plan, and AFH Five Year Strategy at least 30 days prior to the date of a final approval of the Annual Plan/Five Year Strategy Consolidated Plan approved by the Harlingen City Commission. Information available will consist of: HUD-required sections, the HUD-required Priorities Table, and a written description of all proposed uses of CDBG, HOME, ESG, AND HOPWA funds; and AFH HUD provided data. At a minimum, this description shall include the type of activity, its location and the amount of federal money to be allocated.

This requirement may be satisfied by distributing summaries of the Annual Action Plan/ Five Year Strategy Consolidated Plan, and AFH, along with information as to where complete copies may be reviewed.

Public Hearing and Further Action

A public hearing about the Proposed Annual Action Plan/ Five Year Strategy Consolidated Plan will be conducted by the Mayor and City Commission at least 30 days before the Plan becomes final thereby allowing for further public comments.

In preparing a final Annual Action Plan, Consolidated Plan, or AFH, a Final Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The Final Annual Action Plan/ Five Year Strategy Consolidated Plan, and AFH will have a section that presents all comments and explains why any comments were not accepted.

The “Final” Annual Action Plan, Consolidated Plan, AFH, and CAPER (and/or Five-Year Strategy)

Copies of the Final Annual Action Plan/ Five Year Strategy Consolidated Plan, AFH, and summary of it will be made available to the public free of charge and within three (3) working days of a request. In addition, copies will be available at the locations specified above in the section, “Public Access to Information.”

“Amendments” to the Annual Action Plan (and/or the Consolidated Plan Five-Year
The Final Annual Action Plan/Five Year Strategy Consolidated Plan will be amended any time there is:

1. a change in one of the Priorities presented on the HUD-required Priority Table;
2. creation or deletion of activity;
3. a change in the purpose, location, scope, or beneficiaries of an activity (described more fully later).
4. A material change in the AFH HUD provided data which effect established priorities and goals. The public will be given 30 days to comment on any revision/amendment to the AFH before submission to HUD for approval.

Public notification requirements will be followed for substantial amendments to the Annual Action Plan/Five Year Strategy Consolidated Plan and AFH.

“Substantial” Amendments

The following will be considered “substantial” amendments:

1. A change in the use of CDBG money from one activity to another of $50,000.00 or more.
2. A change in the use of HOME money from one activity to another of $50,000.00 or more.
3. The addition of an activity not originally described in the Annual Action Plan.
4. Elimination of an activity originally included in the Annual Action Plan
5. A change in the purpose of an activity (such as changing a construction project from residential to commercial).
6. A significant change in the location of an activity.
7. A decrease of 20% or more in the number of low and moderate income beneficiaries.

Public Notice and Public Hearing for Substantial Amendments

There must be reasonable notice of a proposed Substantial Amendment so that residents will have an opportunity to review and comment on it. Notice will be made according to the procedures described earlier in the Citizen Participation Plan, with the addition of the following procedures specifically for Substantial Amendments:

1. A detailed written description of the proposed Substantial Amendment will be made available to the public at no cost within three (3) working days of a request for same. Copies will also be available at the locations indicated earlier in this Citizen Participation Plan under “Public Access to Information.”
2. There will be a public hearing before the Community Development Advisory Board (CDAB) regarding the proposed Substantial Amendment, followed by a public hearing before the City Commission. The public hearing before the City Commission will not take place until such time that the public has had 30 days to review the proposed Substantial Amendment.
3. In preparing a Final Substantial Amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The Final Substantial Amendment will have a section that presents all comments and explains why any comments were not accepted.

4. The amendment will be forwarded to HUD upon final approval by the City Commission.

The Annual Performance Report

Every year, Harlingen must send an Annual Performance Report within 90 days of the close of the program year (CAPER). In general, the Annual Performance Report must describe how funds were actually used and the extent to which these funds were used for activities to benefit low and moderate income people.

Public Notice and Public Hearing for Annual Performance Report

There must be reasonable notice that an Annual Performance Report is available so that residents will have an opportunity to review it and comment on it. Notice will be made according to the procedures described earlier in this Citizen Participation Plan, with the addition of the following procedures specifically for Annual Performance Report:

1. A period of no less than fifteen (15) days, to receive comments on the Annual Performance Report will be provided to the public.

2. A summary of the Annual Performance Report will be made available to the public at no cost within three (3) written days of the request. Copies and/or summaries will be available at the locations indicated earlier in this Citizen Participation Plan.

3. There will be a public hearing regarding the Annual Performance Report.

4. In preparing an Annual Performance Report for submission to HUD, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing. The Annual Performance Report sent to HUD will have a section that presents all comments and explains why any comments were not accepted.

Contents of the Annual Performance Report

The Annual Performance Report presented to the public will have an accounting for each activity during the program year for which the report is applicable. The City will report accomplishments, goals, and expenditures in a format required by HUD. For each activity the details presented will include, but not be limited to:

Activity Number for the Action Plan.
Name of the Activity plus its HUD “Activity Title” with regulation reference.
A description of the activity that is in enough detail for the public to have a clear understanding of the nature of the activity.
The name of the entity carrying out the activity.
The location of the activity.
Generally, this will be a street address or some other information showing specifically where the activity was (is) being carried out.
For public facility activities such as street reconstruction not located at a specific street address, the beginning and ending points of the activity will be indicated. For activities claiming to meet the “areawide benefit test,” the location will also include the census tracts and/or block groups making up the service area of the activity. Also, the percentage of low/moderate income persons in the service area will be indicated. For multi-family housing activities, the address of each building and the number of units in the building both before and after assistance will be given. The description of economic development activities will include the amount of the loan, the interest rate, and the length of the loan. It will also indicate the number of permanent, full-time jobs to be created or retained, with the number of such jobs to be held by or available to low/moderate income people. The same information will be provided for part-time jobs. “Float Loan Funded” activities and “Section 108 Loan Guaranteed” activities should be clearly identified as such. The date the activity was initially funded. The “national objective” the activity claims to meet. The status of an activity, such as whether it is completed, underway, or cancelled. The amount of CPD dollars “budgeted” and the amount “spent”. The amount “spent” shall be given for the year, and separately for the life of the activity to date. For public service activities, the amount of money that meets HUD’s definition of “unliquidated obligation” will be reported. If “program Income” dollars and/or “revolving loan fund” dollars are being used for an activity, this will be indicated. The accomplishments for the activity will be a description of what was actually done, including numerical measures when appropriate, such as number of units of housing rehabilitated and number of individuals or households served. For activities that provide a direct benefit to individuals or households, the report will show: the number of individuals or households served; the number which were “moderate” income; the number which were “low” income; and, the number which were White, Black, Latin, or Asian.

**COMPLAINT PROCEDURES**

Written complaints from the public will receive a meaningful, written reply within fifteen (15) working days. Copies of the complaints and responses will be forwarded to HUD.

**CHANGING THE CITIZEN PARTICIPATION PLAN**

This Citizen Participation Plan can be changed only after the public has been notified of an intent to modify it, and only after the public has had 15 days reasonable chance to review and comment on proposed amendments substantial changes to it.

**THE COMMUNITY DEVELOPMENT ADVISORY BOARD**

Harlingen has created a Community Development Advisory Board (CDAB) in the spirit of the law, which calls for increased accountability to the public, as well as the encouragement of active participation by low and moderate income people.

The CDAB is a twelve (12) fifteen (15) member body that contributes to public participation by helping to: identify housing and community development needs; establish priorities relating to those needs; propose activities and projects to address high-priority needs; and, suggest the amount of federal, state, and local monies to be allocated to those activities.
Harlingen has formulated a plan for achieving maximum participation from its citizens.

The City has been divided into four (4) quadrants. Each quadrant will be represented by two (2) CDAB members, with three (3) additional members at-large. The term of office for each CDAB member shall correspond with that of the respective Mayor, or City Commissioner who made the appointment.

The CDAB will select one (1) member to serve as the Community Development Advisory Board Chairman. A quorum will be a majority of appointed members, any 8 members present.

All CDAB public hearings are open to the public and are advertised as described above in the “Public Notice” section of this Citizen Participation Plan.

The CDAB, as an advisory board, will recommend eligible projects to the Mayor and City Commission on the allocation of all CDBG, HOME, ESG, and HOPWA funds, including “program income” associated with these, monies left unspent and unobligated from the previous program year, and any additional (not previously anticipated) federal fund allotments. In no event shall CDBG, HOME, ESG, or HOPWA funds be allocated without review by the CDAB as the forum to obtain citizen participation. Final approval shall rest solely with the City Commission and/or HUD.

GLOSSARY – DEFINITION OF TERMS

| AP – Action Plan (same as AAP) |
| AAP – Annual Action Plan (same as AP) |
| AFH – Assessment of Fair Housing |
| APR – Annual Performance Report (same as CAPER) |
| CAPER – Consolidated Annual Performance and Evaluation Report (same as APR) |
| CPP – Citizen Participation Plan |
| CDAB – Community Development Advisory Board |
| CDBG – Community Development Block Grant |
| HOME – Home Investment Partnerships Program |
| HOPWA – Housing Opportunities for Persons with Aids |
| ESG – Emergency Shelter Grant Program |
| HUD – Department of Housing and Urban Development |

PROGRAM AMENDMENT POLICY

It shall be the policy of the Community Development Department to provide all pertinent data related to a proposed budget amendment/adjustment to the Community Development Advisory Board (CDAB). The Community Development Staff will gather and prepare the proposed revisions for review by the CDAB. CDAB will evaluate and recommend approval of all budget adjustments.
Citizen Participation Plan:
Community Development Advisory Approval: June 30, 2016
For City Commission approval: August 3, 2016
INTRODUCTION

The City of Harlingen is required by law (24 CFR Part 91.105) to have a detailed Citizen Participation Plan (CPP) which contains the City’s policies and procedures for public involvement in the Consolidated Plan process; when preparing an assessment of fair housing (AFH), and the use of Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with Aids (HOPWA) money. This Citizen Participation Plan must be available to the public.

ENCOURAGING PUBLIC PARTICIPATION

The law requires that our Citizen Participation Plan both provide for and encourage public participation, in the development of the AFH, any revisions to the AFH, the consolidated plan, any substantial amendments to the consolidated plan or annual action plan, and the annual performance report.

The following are encouraged to participate in the development of documents aforementioned:

- Low and moderate income people, especially those living in low and moderate income neighborhoods, particularly those persons living in areas designated as a revitalization area or in a slum and blighted area where CDBG funds are proposed to be used.

- Minorities, people who do not speak English, homeless individuals and families, and people with disabilities is encouraged. Citizens are encouraged to participate. Summaries of basic information about CDBG and HOME, the Consolidated Planning process; and AFH are to be made available in English and Spanish (when requested)

- Local and regional institutions, Continuums of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community based and faith based organizations)

- Local public housing agencies and residents of public housing (including any resident advisory boards, resident councils, and resident management corporations)
THE ROLE OF LOW INCOME PEOPLE

The law declares that the primary purpose of the programs covered by this Citizen Participation Plan is to improve communities by providing: decent housing, a suitable living environment, and growing economic opportunities—all principally for low and moderate income people.

The amount of federal CDBG money Harlingen receives each year is mostly based upon the severity of both poverty and substandard housing conditions in Harlingen; therefore, it is necessary that public participation genuinely involve low income residents who experience these conditions. Genuine involvement by low income people must take place at all stages of the process.

STAGES

In general, the stages or events include:

- Identification of housing and community development needs.
- Preparation of a draft use of funds for the upcoming year, called the proposed Annual Action Plan. Sometimes there might also be the development of a proposed Consolidated Plan or the development of the Assessment of Fair Housing, and any amendments.
- Formal approval by elected officials of a final Annual Action Plan or Consolidated Plan.
- On occasion during the year, it might be necessary to change the use of the money already budgeted in an Annual Action Plan, or to change the priorities established in the Consolidated Plan. In that case, a formal Substantial Amendment will be proposed, considered, and acted upon after a “program year” is complete, an Annual Performance Report must be drafted for public review and comment, and then submitted to HUD.

THE PROGRAM YEAR

The “program year” chosen by Harlingen is October 1 through September 30.

PUBLIC NOTICE

There shall be 5 days advance public notice for the development and any revisions to the AFH; proposed Annual Action Plan or Consolidated Plan; any proposed Substantial Amendment to the Action Plan or Consolidated Plan; and the Annual Performance Report to give the public adequate notice.

FORMS OF PUBLIC NOTICE

- Public notices will be published in a paper of general circulation such as the Valley Morning Star. However, in order to reach the majority of the City’s population, specifically the low to moderate income population, the City may also advertise in the Bargain Book.
- Notices will be sent to any person or organization requesting to be on a mailing list.
Notice may also be sent to neighborhood organizations, public housing authority developments, radio and television media, and other persons or groups as deemed appropriate by the Community Development Department.
Notice may be posted on the internet through social media and on the City’s web page.
Notice may be posting at public libraries, government offices, and public places.

PUBLIC ACCESS TO INFORMATION

The City will provide citizens/residents, public agencies, and other interested parties with reasonable and timely access to the documents relating to the Consolidated Plan, and the use of assistance under the programs covered by the Plan for the preceding five years, as well as related to the AFH and its revisions.

For non English speaking citizens/residents, reasonable steps to provide language assistance to ensure meaningful access will be provided. Those speaking Spanish will be assisted by staff, board members, and officials whom are proficient in the Spanish language. Persons speaking another language

Persons requiring materials in a language other than English should contact the Community Development Staff at (956) 216-5180, 502 E. Tyler, Harlingen, TX 78550.

Standard documents include:

- The proposed and final Annual Action Plan.
- The proposed and final Consolidated Plan.
- Proposed and final Substantial Amendments to either an Annual Action plan or the Consolidated Plan.
- Annual Performance Reports. (CAPER)
- Assessment of Fair Housing (AFH)
- Amendments or revisions to the AFH
- The Citizen Participation Plan

AVAILABILITY OF STANDARD DOCUMENTS

In the spirit of encouraging public participation, copies of standard documents will be made available for office review. Summaries of standard documents will be provided to the public at no cost. These materials will be made available in a form accessible to persons with disabilities and to persons who do not speak English, whenever requested.

PLACES WHERE STANDARD DOCUMENTS ARE AVAILABLE

Standard documents will be available at the office of the Community Development Department located at 502 E. Tyler, Harlingen, TX.

PUBLIC HEARINGS

Public hearings are required by law in order to obtain the public’s views and to provide the public with the City’s responses to public questions and proposals.
Whenever possible, public hearings will be held at or after 5:30 p.m., a time convenient to most people who might benefit from the use of funds.

Public hearings will be held at places accessible, convenient and not intimidating to most people who might benefit from the use of funds. Locations may include the public library, Lon C. Hill Building Conference Room, Townhall, Public Housing Authority Developments, Schools, and other appropriate locations.

**Public Hearings and Populations with Unique Needs**

All Public Hearings will be held at locations accessible to people with disabilities, and provisions will be made for people with disabilities when requests are made at least three (3) working days prior to a meeting.

Translators will be provided for people who do not speak English when requests are made at least three (3) working days prior to a meeting. These services shall be provided at no charge to the public.

**The Conduct of Public Hearings**

To ensure that public hearings are meaningful to citizens/residents, each citizen/resident choosing to speak will be allowed five minutes to make a verbal presentation.

**STAGES IN THE PROCESS**

**Identifying Needs**

Housing and community development needs of low and moderate income people are so great and so diverse therefore, priorities must be set in order to decide which needs should get more attention and more resources than other needs. This is the basic reason the Consolidated Plan exists.

The laws and regulations require at least one (1) public hearing each year to obtain residents’ opinions about needs, and what priority those needs have. If time permits, public hearings will be held in different neighborhoods to determine the specific needs and priorities identified by low and moderate income people. At a minimum, two (2) public hearing will be held in order to allow citizens to actively participate in the community development process (Annual Action Plan and the CAPER).

Public hearings about needs will be completed 30 days before a draft Annual Action Plan/Consolidated Plan is published for comment, so that the needs identified can be considered by the City and addressed in the draft Annual Action Plan or Consolidated Plan.

**Assessment of Fair Housing**

At, or as soon as feasible after the start of the public participation process, HUD provided data and any other supplemental information will be made available to its
citizens/residents, public agencies, and other interested parties. The HUD-provided data available to the public by cross-referencing to the data on HUD’s Web site.

The “Proposed” Annual Action Plan or Consolidated Plan

The law providing the funds covered by this Citizen Participation Plan calls for improved accountability of jurisdictions to the public. In that spirit and in compliance with the terms of the law, Harlingen will use the following procedures.

At the beginning of this stage, the City of Harlingen will provide the public with an estimate of the amount of CDBG, HOME, ESG, and HOPWA funds it expects to receive in the upcoming year, along with a description of the range of types of activities that can be funded with these resources. Also, the public will be given an estimate of the amount of these funds that will be used in ways that will benefit low and moderate income people.

The plans of the City of Harlingen to minimize the extent to which low and moderate income people will have to leave their homes as a result of the use of these federal dollars (called “displacement) will also be available at this time. This “anti-displacement plan” will also describe how Harlingen will compensate people who are actually displaced as a result of the use of these funds, specifying the type and amount of compensation.

The following steps represent the process:

✔ Development of the Assessment of Fair Housing
  a. Publish & Post notice.
  b. There shall be a 30 day comment period before final approval by the City Commission.
  c. There shall be a public hearing before the Community Development Advisory Board during the 30 day comment period.
  d. Send to HUD for final approval.

✔ Consolidated Plan/Annual Action Plan
  a. Publish & Post Notice of Funding Availability.
  b. A public hearing about the proposed Consolidated Plan/Annual Action Plan will be conducted by the City Commission at least 30 days before final approval allowing for additional comments.
  c. There shall be a public hearing before the Community Development Advisory Board during the comment period before final approval by the City Commission.
  d. Send to HUD for final approval.

✔ Substantial Amendments
  a. Publish & Post notice.
  b. There shall be a 30 day comment period.
  c. There shall be a public hearing before the Community Development Advisory Board during the comment period followed by a public hearing before the City Commission.
  d. Send to HUD for final approval.

  a. Publish & Post notice.
b. Hold public hearing
c. There shall be a 15 day comment period.
d. Submit to HUD for approval.

Technical Assistance

City staff will work with organizations and individuals representative of low and moderate income people who are interested in submitting an application to obtain funding for an activity. All potential applicants for funding are encouraged to contact City staff for technical assistance before completing an application/proposal for funding.

Availability of a Proposed Annual Action Plan, Consolidated Plan, CAPER and AFH

Copies of the proposed Annual Action Plan/ Consolidated Plan will be made available to the public free of charge and without delay. In addition, copies will be available for viewing at the locations specified above in the section, “Public Access to Information.”

So that low and moderate income people can determine the degree to which they might be affected, they will be provided with a summary of the Proposed Annual Action Plan, Consolidated Plan, and AFH at least 30 days prior to the date of final approval of the Annual Plan/Consolidated Plan by the Harlingen City Commission. Information available will consist of: HUD-required sections, the HUD-required Priorities Table, and a written description of all proposed uses of CDBG, HOME, ESG, AND HOPWA funds; and AFH HUD provided data. At a minimum, description shall include the type of activity, location and the amount of federal money to be allocated.

This requirement may be satisfied by distributing summaries of the Annual Action Plan/ Consolidated Plan, and AFH, along with information as to where complete copies may be reviewed.

Public Hearing and Further Action

A public hearing about the Proposed Annual Action Plan/Consolidated Plan will be conducted by the Mayor and City Commission at least 30 days before the Plan becomes final thereby allowing for further public comments.

In preparing a final Annual Action Plan, Consolidated Plan, or AFH, a, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The Final Annual Action Plan/Consolidated Plan, and AFH will have a section that presents all comments and explains why any comments were not accepted.

The “Final” Annual Action Plan, Consolidated Plan, AFH, and CAPER

Copies of the Final Annual Action Plan/ Consolidated Plan, AFH, and summary of it will be made available to the public free of charge and within three (3) working days of a request. In addition, copies will be available at the locations specified above in the section, “Public Access to Information.”
“Amendments” to the Annual Action Plan (and/or the Consolidated Plan)

The Final Annual Action Plan/Consolidated Plan will be amended any time there is:

✓ a change in one of the Priorities presented on the HUD-required Priority Table;
✓ creation or deletion of activity;
✓ a change in the purpose, location, scope, or beneficiaries of an activity (described more fully later).
✓ A material change in the AFH HUD provided data which effect established priorities and goals. The public will be given 30 days to comment on any revision/amendment to the AFH before submission to HUD for approval.

Public notification requirements will be followed for substantial amendments to the Annual Action Plan/Consolidated Plan and AFH.

Substantial Amendments

The following will be considered “substantial” amendments:

✓ A change in the use of CDBG money from one activity to another of $50,000.00 or more.
✓ A change in the use of HOME money from one activity to another of $50,000.00 or more.
✓ The addition of an activity not originally described in the Annual Action Plan.
✓ Elimination of an activity originally included in the Annual Action Plan
✓ A change in the purpose of an activity (such as changing a construction project from residential to commercial).
✓ A significant change in the location of an activity.
✓ A decrease of 20% or more in the number of low and moderate income beneficiaries.

Public Notice and Public Hearing for Substantial Amendments

There must be reasonable notice of a proposed Substantial Amendment so that residents will have an opportunity to review and comment on it. Notice will be made according to the procedures described earlier in the Citizen Participation Plan, with the addition of the following procedures specifically for Substantial Amendments:

✓ A detailed written description of the proposed Substantial Amendment will be made available to the public at no cost within three (3) working days of a request for same. Copies will also be available at the locations indicated earlier in this Citizen Participation Plan under “Public Access to Information.”
There will be a public hearing before the Community Development Advisory Board (CDAB) regarding the proposed Substantial Amendment, followed by a public hearing before the City Commission. The public hearing before the City Commission will not take place until such time that the public has had 30 days to review the proposed Substantial Amendment.

In preparing a Final Substantial Amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The Final Substantial Amendment will have a section that presents all comments and explains why any comments were not accepted.

The amendment will be forwarded to HUD upon final approval by the City Commission.

The Annual Performance Report

Every year, Harlingen must prepare an Annual Performance Report within 90 days of the close of the program year (CAPER). In general, the CAPER must describe how funds were actually used and the extent to which these funds were used for activities to benefit low and moderate income people.

Public Notice and Public Hearing for Annual Performance Report

There must be reasonable notice that an Annual Performance Report is available so that residents will have an opportunity to review it and comment on it. Notice will be made according to the procedures described earlier in this Citizen Participation Plan, with the addition of the following procedures specifically for Annual Performance Report:

- A period of no less than fifteen (15) days, to receive comments on the Annual Performance Report will be provided to the public.
- A summary of the Annual Performance Report will be made available to the public at no cost within three (3) written days of the request. Copies and/or summaries will be available at the locations indicated earlier in this Citizen Participation Plan.
- There will be a public hearing regarding the Annual Performance Report.
- In preparing a CAPER for submission to HUD, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing. The CAPER sent to HUD will have a section that presents all comments and explains why any comments were not accepted.

Contents of the Annual Performance Report

The CAPER presented to the public will have an accounting for each activity during the program year for which the report is applicable. The City will report accomplishments, goals, and expenditures in a format required by HUD.

COMPLAINT PROCEDURES

Written complaints from the public will receive a meaningful, written reply within fifteen
(15) working days. Copies of the complaints and responses will be forwarded to HUD.

CHANGING THE CITIZEN PARTICIPATION PLAN

This Citizen Participation Plan can be changed only after the public has been notified of the intent to modify it, and only after the public has had 15 days to review and comment on proposed amendments.

THE COMMUNITY DEVELOPMENT ADVISORY BOARD

Harlingen has created a Community Development Advisory Board (CDAB) in the spirit of the law, which calls for increased accountability to the public, as well as the encouragement of active participation by low and moderate income people.

The CDAB is a twelve (12) member body that contributes to public participation by helping to: identify housing and community development needs; establish priorities relating to those needs; propose activities and projects to address high-priority needs; and, suggest the amount of federal, state, and local monies to be allocated to those activities.

Harlingen has formulated a plan for achieving maximum participation from its citizens.

The City has been divided into four (4) quadrants. Each quadrant will be represented by two (2) CDAB members. The term of office for each CDAB member shall correspond with that of the respective Mayor, or City Commissioner who made the appointment.

The CDAB will select one (1) member to serve as the Community Development Advisory Board Chairman. A quorum will be a majority of appointed members.

All CDAB public hearings are open to the public and are advertised as described above in the “Public Notice” section of this Citizen Participation Plan. The CDAB, as an advisory board, will recommend eligible projects to the Mayor and City Commission on the allocation of all CDBG, HOME, ESG, and HOPWA funds, including "program income" associated with these, monies left unspent and unobligated from the previous program year, and any additional (not previously anticipated) federal fund allotments. In no event shall CDBG, HOME, ESG, or HOPWA funds be allocated without review by the CDAB as the forum to obtain citizen participation. Final approval shall rest solely with the City Commission and/or HUD.
GLOSSARY – DEFINITION OF TERMS

AP – Action Plan
AAP – Annual Action Plan (same as AP)
AFH – Assessment of Fair Housing
APR – Annual Performance Report (same as CAPER)
CAPER – Consolidated Annual Performance and Evaluation Report (same as APR)
CPP – Citizen Participation Plan
CDAB – Community Development Advisory Board
CDBG – Community Development Block Grant
HOME – Home Investment Partnerships Program
HOPWA – Housing Opportunities for Persons with Aids
ESG – Emergency Shelter Grant Program
HUD – Department of Housing and Urban Development

Citizen Participation Plan:
Community Development Advisory Approval: June 30, 2016
City Commission approval: August 3, 2016
ITEM #7
DISCUSSION AND ACTION REGARDING REVISIONS TO THE AFFORDABLE HOUSING PROGRAM GUIDELINES
I. AGENDA ITEM: Discussion and Action regarding revisions to the Affordable Housing Programs guidelines.

IV. BRIEF OVERVIEW:

The Community Development Department is required to have written policies and procedures in place for programs funded with CDBG/HOME funds.

The attached Affordable Housing Program guidelines contain many revisions that are mostly clarification in intent of the program or changes for consistency.

The additions are indicated in blue and are underlined. The deletions/relocations are indicated in pink with a strike through the lettering.

Tammy DeGannes-Jackson, Community Development Director
Affordable Housing Program Guidelines

Amended June 21, 2016

Administered by:
City of Harlingen
Community Development Dept.
502 E. Tyler
Harlingen, Texas 78550
(956) 216-5180 Phone
(956) 216-5186 Fax
Summary of Affordable Housing Program

Funding Source: U.S. Department of Housing & Urban Development’s HOME Investment Partnerships Program.

AHP Assistance: Amount of Assistance is determined based on a gap analysis; assistance shall be no less than $1,000 and no more than necessary to make the home affordable, up to $25,000.

Debt Ratios: New Monthly Housing Expense Ratio must be between 25-30%
Long Term Debt Ratio must be at or below between 36-43%

Interest Rates: Lenders interest rates shall NOT exceed 2% of the current FHA Rate.

Form of Assistance: 0% interest deferred loan repayable upon resale, refinance, or payoff of the unforgiven portion of the first lien within the period of affordability, 2nd Deed of Trust held by City of Harlingen.

Borrower Eligibility: Households with a total gross income at or below 80% of area median income with a capacity to repay a mortgage loan.

Borrower Responsibility: Must agree to live in house as principal place of residence during the affordability period and make a minimum investment of two thousand ($2,000) dollars.

Property Requirements: Subject properties must be vacant (unless occupied by Seller); meet or exceed the codes adopted by the City of Harlingen and meet the Uniform Physical Conditions Standards; cost cannot exceed HUD-95% of the median area purchase price, as determined by HUD, 203(b) limits.

Geographic Area: Subject properties must be located within the corporate city- limits of Harlingen.

Administered-Funded by: Community Development Department (Through the U.S. Department of Housing and Urban Development)
502 E. Tyler, Harlingen, Texas 78550
Phones: (956) 216-5180 Fax (956) 216-5186
Email: housingharlingen@myharlingen.us
AFFORDABLE HOUSING PROGRAM
POLICY GUIDELINES

I. PURPOSE

The purpose of the Affordable Housing Program (AHP) is to increase housing opportunities to qualified low to moderate income households by providing necessary financial assistance for eligible down payment, closing costs and/or principal loan reduction in order to purchase an existing or newly constructed single-family home within the city-limits of Harlingen, Texas.

II. PROGRAM RESPONSIBILITIES

The Community Development Department is responsible for the administration of the AHP Program. The AHP Program is under the administrative control of the Community Development Director for the City of Harlingen. The Community Development Director, or his/her designee, shall have the authority to:

A. Establish processes, procedures, and criteria for the development, implementation and operation of the AHP Program.
B. Establish yearly financial assistance limits based on available funding.
C. Execute all applicable program related documents and forms.

III. PROGRAM FUNDING

The AHP Program is funded with HOME Investment Partnerships Program (HOME) grant funds provided by the U.S. Department of Housing and Urban Development (HUD) to the City of Harlingen, and is under the jurisdiction of HUD. The AHP Program shall operate under the applicable federal provisions of 24 CFR Part 92. Should a conflict arise between the rules of City of Harlingen, Harlingen’s designee, the AHP Program Guidelines, or the HOME Program regulations, and/or the fund source, the fund source interpretation shall govern.

IV. DEFINITIONS/ACRONYMS

A. APPLICANT – individual requesting Program assistance by submission of a complete application.
B. APPLICATION – Lender’s application (1003 or other application).
C. AMI – Area Median Income.
D. CITY – Harlingen, Cameron County, Texas.
E. AHP – Down Payment Assistance, gap financing, closing costs, etc.
F. FUND SOURCE – the origination point of the funds used to provide financial assistance.
G. HOMEOWNERSHIP – means ownership in fee simple title in a 1- to 4-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD.
H. HUD – U.S. Department of Housing and Urban Development.
I. LONG TERM DEBT RATIO: A debt to income ratio measuring the percentage of your income that goes towards all debt payments including housing expenses, along with all other debt payments (such as auto loans, credit cards, and other debts).
J. LOW-INCOME FAMILIES – means families whose gross annual income does not exceed 80% of the area median income.
K. MONTHLY HOUSING EXPENSE RATIO: A debt to income ratio measuring the percentage of your income that covers housing payments including – principal, interest, taxes, and insurance (PITI).
K. **NEWLY CONSTRUCTED UNIT**: A property which received a Certificate of Occupancy within 1 year prior to the commitment of Program funds.

L. **HOMEBUYER’S INVESTMENT**—Money that borrower is required to invest to participate in the AHP Program.

M. **PRINCIPAL RESIDENCE**—primary residence of applicant.

N. **PROGRAM**—refers to the Affordable Housing Program provided by the City of Harlingen and/or designee.

O. **PROGRAM STAFF**—refers to Community Development Staff and/or Harlingen’s designee.

P. **SUBJECT PROPERTY**—the house the Applicant intends to purchase for which HOME assistance is being requested.

Q. **UNIFORM PHYSICAL CONDITION STANDARDS (UPCS)**—means uniform national standards established by HUD pursuant to 24CFR 5.703 for housing that is decent, safe, sanitary, and in good repair.

V. **PROGRAM ELIGIBILITY**

Although not all-inclusive, the Applicant and subject property must meet all of the following minimum conditions in order to be considered for program assistance. AHP assistance may not be provided if any of the following minimum eligibility requirements are not met by the Applicant or the subject property.

- **Homebuyer’s Participation**: Homebuyers are required to invest a minimum of two thousand ($2,000) dollars. This requirement can be met by payments made outside of closing (surveys, credit report fees, appraisals, etc.) as long as the buyer can provide proof of payment in the form of receipt, returned check or electronic funds transfer. Homebuyer must provide proof of the minimum $2,000 at time of application.

  For applicants that owe $5,000 or less on the residential lot they intend to build upon, the equity on that lot may be used to meet the homebuyer’s minimum cash investment of $2,000.00.

- **First-Time Homebuyer**: Applicants must be a first-time homebuyer, which is defined as follows:

  o At the time of application, did not at any time during the past 3 years, have ownership interest in any residential property.

  o The term first-time homebuyer includes displaced homemakers and single parents. A displaced homemaker is a person who has worked only in the home for a substantial number of years.

- **Age**: Applicant(s) must be 18 years of age or older.

- **Legal Status of the Applicant**: HUD prohibits providing assistance to persons not lawfully present in the United States. All contributing members of the household receiving AHP Program funds must be either a:

  1. Citizen of the United States
  2. Permanent Resident Alien
  3. Temporary Resident Alien with authorization work in the United States.

The Program reserves the right to request documented verification as a condition to making an eligibility determination of the Applicant.
- **Establishment of Need:** As a condition of eligibility, the AHP Program requires the Applicant to demonstrate their need for assistance. If it is determined that the applicant has sufficient financial assets or capabilities, the AHP Program is under no obligation to provide assistance. The total household liquid assets are limited to a verifiable total not to exceed $10,000.00. Total unimproved real estate where home is to be constructed is not included as an asset. Assets include, but are not limited to the following: checking and savings accounts, stocks, bonds, retirement/pensions, mutual funds, real property, and vehicles.

Exempt assets include the first family vehicle, vehicles necessary for employment or training-related purposes, and vehicles used to transport a physically handicapped person.

Transfer of resources within one year of application by household members for the purpose of qualifying for the AHP Program is strictly prohibited.

During income determination, households with assets $5,000 and $10,000 will be calculated into the annual income at a rate of .06% (passbook rate). For example, a 401k or retirement plan.

The AHP Program retains the exclusive right to make the final determination of financial need and repayment capacity of the applicant household.

- **F. Amount of Assistance/Subsidy Layering (Gap) Analysis:** The AHP Program will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to make the home affordable.

The actual amount of assistance will be determined by conducting a gape subsidy layering (gap)-analysis of the transaction. To ensure long term affordability, the analysis shall take into consideration factors such as total household debt, monthly household expenses, assets available to acquire the housing, resources needed to sustain homeownership, including the terms of planned mortgages.

The minimum per unit subsidy shall not be less than $1,000. The maximum per unit subsidy shall not exceed the Section 234 – Condominium Housing basic mortgage limits, for elevator type projects as adjusted by the HUD Local Field Office for the jurisdiction, or $25,000, whichever is less. AHP Program subsidy limits are amended annually in Appendix 1.

- **G. Income Eligibility:** An Applicant’s gross annual household income may not exceed 80% of the Area Median Income (AMI) as adjusted for household size. The AHP Program shall use the low to moderate -income limit determinations developed by the U.S. Department of Housing and Urban Development (HUD) on an annual basis. AHP Program income limits are amended annually in Appendix 1. Until notification has been received that the annual income limits have changed, the AHP Program may use the HUD income guidelines in effect from the previous year.

The AHP Program retains the exclusive right to make the final determination of the income eligibility of an Applicant household. The AHP Program shall use the federal standard of determining income eligibility under the provisions of 24 CFR Part 5.609 (See Appendix 2 for a Technical Guide on Determining Income and Allowances for the HOME Program). The AHP Program may require the submission of additional documentation or information from an Applicant in order to accurately determine income eligibility. Failure of the Applicant/Lender to provide requested information within 7-10
days of written notification may be considered non-responsive and the application may be denied. Under no circumstances may the AHP Program provide assistance to an Applicant household that has not been determined income eligible by the AHP Program.

Although not all-inclusive, income eligibility is based on the gross annual income produced by all members of the household (related or not) and projected over the next 12 months (24 CFR 92.254(a)(3)). This includes all income earned (part-time employment, overtime, bonuses, etc.) and unearned (i.e. child support, Social Security, Disability, etc.) It must be recognized by all parties that the method of calculating income for AHP Program eligibility purposes may be different than for lending or real estate purposes. If AHP assistance is not provided within 6 months of the income certification, recertification is required. The AHP Program assumes no responsibility or liability of income determinations made by any party involved in a specific request for assistance other than the AHP Program and its designated staff.

- H. Maximum Debt Ratios:

For both existing and newly constructed homes, the household’s total mortgage payment, inclusive of Principal, Interest, Taxes, and Insurance (PITI) shall be no less than 25\% and no greater than 30\% of the household’s monthly gross income at the time of assistance. The minimum and maximum household expense ratio shall be dependent upon household’s income level according to the table below:

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Minimum MHE Ratio</th>
<th>Maximum MHE Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>For households at 61—80% AMI</td>
<td>15% or $500, whichever is higher</td>
<td>20% or $500, whichever is higher</td>
</tr>
<tr>
<td>For households at 51—60% AMI</td>
<td>19% or $500, whichever is higher</td>
<td>20% or $500, whichever is higher</td>
</tr>
<tr>
<td>For households at 0—50% AMI*</td>
<td>23% or $500, whichever is higher</td>
<td>20% or $500, whichever is higher</td>
</tr>
</tbody>
</table>

*It is important to note that the majority of households applying and receiving assistance through the AHP will have incomes above 30\% of the area median income as most households at or below 30\% AMI will not sufficient have income to sustain a mortgage.

The total long-term debt ratio, which includes expected monthly mortgage payments and existing recurring monthly debt payments, cannot exceed 43\% percent. In computing debt-to-income ratios, debt payments must include recurring charges including payments on installment accounts, child support or separate maintenance payments, revolving accounts, and alimony, etc.—

The AHP takes the debt of all adult household members into consideration when making an income eligibility determination.

With compensating factors, higher ratios may be considered by the Community Development Director on a case-by-case basis.
NOTE: The AHP does not include collection accounts for medical expenses in its debt ratio calculations.

- **Credit History/Other Eligibility Criteria:** Applicants must have, at a minimum, a 2-year history of demonstrating financial responsibility and cannot have a charge off within the past 3 years. The long-term success of the Applicant’s ability to maintain homeownership is a primary consideration of the AHP Program. Therefore, only those Applicants that have shown a demonstrated effort to be financially responsible will be awarded assistance.

While a few Lenders may accept FICO scores as low as 580, most require a minimum score of 620.

No bankruptcy within the following timeframes:
- Chapter 7: Must be five (5) years from discharge.
- Chapter 13: Must be three (3) years from discharge.

No foreclosure within the past three (3) years.

No outstanding judgments.

An Applicant must also be rejected if he/she is presently delinquent on any Federal debt or has a lien placed against his/her property for a debt owed to the United States Government.

An Applicant is not eligible to participate in the AHP if he/she is suspended, debarred, or otherwise excluded from participating in HUD programs.

- **Financing:** The Applicant must qualify for primary mortgage financing from a mortgage lender, mortgage banker or owner to purchase a home. The first lien mortgage must be a fully amortized, fixed rate loan for up to thirty (30) years with an interest rate that does not exceed prevailing market rates for conforming loans. The AHP Program retains the right to choose the applicable indicator or method it will use in determining acceptable prevailing market rates for a mortgage loan secured by an Applicant. The AHP Program may decline participation in providing program assistance if the proposed interest rate of the Applicant’s mortgage exceeds the prevailing market rate indicator or method the AHP Program has chosen. FHA 203B, FHA, VA or Conventional Loans are eligible under this AHP Program.

- **Ineligible Financing:** The AHP Program reserves the right to determine whether to participate in any application for assistance based on the type of mortgage being secured by the Applicant. For this reason, Adjustable Rates Mortgages (ARMS), Balloon Payment mortgages, Wraparound mortgages, Graduated Mortgages, Negative Amortization mortgages are NOT allowed under this AHP Program. Should AHP Program analysis reveal that the conditions of the primary mortgage financing exceeds the Applicant’s ability to reasonably meet the financial responsibilities of the mortgage or place them in a default position, the AHP Program reserves the right to deny the application. The AHP Program is under no obligation to provide financial assistance to an Applicant if it is clear the mortgage is not in the best interest of the AHP Program and/or the Applicant. Permanent Mortgage Buydowns may be considered on a case-by-case basis for loans under $50,000.
• **Homebuyer Education Course:** All adult household members are required to complete an 8-hour Homebuyer Education course as provided by an approved Housing Counselor (24 CFR 92.254(a)(3)).

Please refer to *Appendix 6* for the list of approved Homebuyer Education Course Providers.

• **Program Options:** Applicants have a few options when applying for homebuyer assistance:

  - Applicants may purchase an existing home;
  - Applicants may choose to build an affordable home on a lot they own;
  - Applicants may choose to build an affordable home on a lot that the City currently owns;
  - Applicants may choose to build an affordable home through a local builder.

In order to be considered for AHP Program assistance, the subject property must meet all of the following criteria prior to closing:

  - Subject property must be located within the corporate city limits of Harlingen. Properties located in the City’s Extra Territorial Jurisdictions (ETJ) and Limited Purpose Annexed (LPA) areas are not considered part of the corporate city limits for this AHP Program and are ineligible.

  - Subject property must be a single-family residence (detached house, townhouse, or condominium). _A, Dduplexes, triplexes, or Aand four-plexes_ are not eligible properties under this AHP Program. New manufactured homes and all manufactured housing that replaces an existing substandard unit under the definition of “reconstruction” must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.43f(c)(i). Further, all manufactured housing must, at the time of completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner (24 CFR 92.251(e)). Recreational vehicles, campers and other such vehicles are ineligible.

  - The maximum sales price of the housing unit must not exceed ninety-five percent (95%) of the median value for the area (24 CFR 92.254(a)(2)(iii)) as adjusted by HUD annually in __HUD regulations governing the HOME program, use the FHA 203 (b) mortgage limits as the substitute for the 95% median value for one (1) to four (4) family homes. The FHA 203 (b) mortgage limits are amended annually in Appendix 1.__

  - Subject property must be vacant or owner-occupied. Properties occupied by tenants within the last ninety (90) days are ineligible EXCEPT in cases where the tenant intends to purchase the housing unit they currently occupy/rent.

  - Unit must contain adequate living space. Program funds are governed by certain Federal Regulations to ensure that funds are not used to contribute to overcrowded housing conditions. Refer to the table below for the Occupancy Standards:
<table>
<thead>
<tr>
<th># of Family Members* Minimum</th>
<th># of Required Bedrooms</th>
<th># of Family Members* Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1-2 Bedrooms</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>2-3 Bedrooms</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>3-4 Bedrooms</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>4-5 Bedrooms</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>5-6 Bedrooms</td>
<td>10</td>
</tr>
<tr>
<td>10+</td>
<td>6+ Bedrooms</td>
<td>10+</td>
</tr>
</tbody>
</table>

When necessary, one (1) adult person may be permitted to use the living room for sleeping purposes.

Persons of the opposite sex, except spouses, shall not share a bedroom unless one of the persons is under six (6) years of age.

Two (2) children of the same sex, regardless of age may share a bedroom.

Two (2) children of different sex, who are both less than six (6) years of age, may share a bedroom.

*Depending on the age and sex of occupants, more bedroom space may be required.

- The housing unit can be any existing or newly constructed unit that can pass a Uniform Physical Condition Standards (UPCS) evaluation, prior to commitment of program funds, but no earlier than 90 days before the commitment of HOME assistance. Evaluations will be performed by City staff free of charge. The AHP Program will use the City’s adopted codes and Uniform Physical Condition Standards issued pursuant to 24 CFR 5.705. The inspection will determine whether the subject property is decent, safe, sanitary and in good repair. If the housing unit does not meet these standards, the housing must be rehabilitated to meet the standards or it cannot be acquired with HOME funds. All noted deficiencies in the UPCS report must be addressed before the final settlement date. UPCS evaluations do not serve in lieu of structural inspections. Newly constructed units must have a Certificate of Occupancy issued by the City of Harlingen’s Building Inspections Department and a Texas Windstorm Certificate issued by the Texas Department of Insurance.

All manufactured housing including manufactured housing that replaces an existing substandard unit under the definition of “reconstruction” must meet the Manufactured Home Construction and Safety Standards codified at 24 CFR 3280. These standards preempt State and local codes which are not identical to the federal standards for the new construction of manufactured housing. All manufactured housing must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.43f(c)(i). All manufactured housing must be connected to permanent utility hook-ups and be located on land to be owned by the manufactured housing unit at the time of project completion.

Disclaimer: The UPCS evaluation is not a substitute for a TREC Inspection.

- Subject property built prior to 1978 must meet applicable HUD regulations regarding Lead Based Paint in accordance with 24 CFR Part 35. A visual assessment on all painted surfaces shall be performed for detection of lead-based paint.
• Funds provided under this Agreement may not be used in connection with acquisition, rehabilitation, or construction of a development located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the locality in which the site is located is participating in the National Flood Insurance Program or less than a year has passed since FEMA notification regarding such hazards and flood insurance is obtained as a condition of approval of the commitment.

• Subject property must be located in an area where Federal Assistance is permitted. Housing units located in areas where the use of Federal funds is strictly prohibited by the Coastal Barriers Resources Act or located within a runway clear zone of a civil or military airport are ineligible.

• Subject property cannot be used for rental, commercial or other non-principle place of residence purposes.

• Subject property must be free of all abandoned appliances, junked vehicles, trash, rubbish, etc. before assistance will be rendered.

• Applicants that choose to build an affordable home on a lot they currently own or are still paying on, must provide proof of clear title and deed the property to the City which will be transferred to homebuyer after home is constructed. Proof of paid property taxes must be submitted at time of application.

VI. **AHP PROGRAM ASSISTANCE**

The terms and conditions of **AHP Program** assistance may include, but are not limited to the following:

A. **Fund Availability:** As a condition of eligibility, the **AHP Program** must have sufficient program funds available to pay for the assistance. The Program is under no obligation to process any application if it has been determined there are insufficient funds available to fund the program. The **AHP Program** retains the right to restrict or adjust levels of down payment assistance during the program year in order to accommodate anticipated reductions or reduced levels of fund availability. Subject to **AHP Program** and Loan Limitations, a Zero Interest Deferred Loan for closing costs, down payment, and principal reduction may be provided under this **AHP Program**.

In the event that all **AHP Program** assistance funds are obligated, a time and date order waiting list will be maintained in case any of the loans for which homebuyer assistance is being provided fails. In that circumstance, the next applicant on the waiting list will be processed for assistance.

B. **Subsidy Limits:** The amount of **AHP Program** assistance that may be provided to an eligible Applicant will be based on a gap analysis. Subsidies shall be no less than $1,000 and no more than necessary to make the home affordable. Applicants who are not eligible for at least $1,000 in total homebuyer assistance are ineligible for assistance. The Maximum-per-unit subsidy shall not exceed the Section 234 –Condominium Housing basic mortgage limits, for elevator type projects as adjusted by the HUD Local Field Office for the jurisdiction, or $25,000, whichever is less.

C. **Lien Terms/Repayment:** **AHP Program** assistance will be in the form of a zero interest, deferred loan. The zero interest, deferred loan will be secured through a second
lien (Second Deed of Trust). The principal amount of the loan shall be deferred and forgiven over the appropriate period of affordability, which can range from 5-15 years depending on the amount of HOME funds provided directly to the homebuyer.

<table>
<thead>
<tr>
<th>HOME Funds to Buyer</th>
<th>Minimum Affordability Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $14,999</td>
<td>5 years</td>
</tr>
<tr>
<td>$15,000-$40,000</td>
<td>10 years</td>
</tr>
<tr>
<td>Over $40,000</td>
<td>15 years</td>
</tr>
</tbody>
</table>

D. Default: During the affordability period, the following conditions will constitute default, and require that the unforgiven portion of the deferred second mortgage loan to become immediately due and payable:

- Upon refinance or home equity loan, sale, lease, transfer of title, or death of the principals.
- Upon failure to occupy the house as the household’s primary residence and claim it as their homestead.
- Upon failure to maintain the property in a safe, sanitary and decent condition, with adopted codes and ordinances.

Upon transfer of note, assumption of note, or sale for less than fair market value the entire amount of the HOME assistance will be immediately due and payable.

If homebuyers fail to meet their obligations as stated above, the unforgiven portion of the deferred second mortgage loan shall be due and payable to the City of Harlingen at the time of sale/closing, subject to the availability of net proceeds.

Net proceeds to the Homebuyer shall be calculated by taking the sales price less any down payment and closing costs paid, less all capital improvements made since the purchase, if any, and less the superior non-HOME mortgage payoffs. As per 92.254(a)(5)(ii)(A), under no circumstances shall the City of Harlingen recapture more than is available from the net proceeds of the sale.

Net Proceeds will be calculated as follows:

Sale Price  
Minus Down Payment and Closing Costs Paid by the Homebuyer at time of purchase  
Minus All Capital Improvements Made Since The Purchase  
Minus Superior Non-HOME debt (1st mortgage)  
Equals Net Proceeds

The HOME program restrictions on the property shall terminate upon foreclosure, transfer in lieu of foreclosure or assignment of the FHA insured mortgage to the U.S. Department of Housing and Urban Development (HUD). To the extent that there are any proceeds from the foreclosure or other sale of the property by HUD remaining after the HUD insured loan is paid, the remaining proceeds shall be paid to the City of Harlingen.

E. Eligible Assistance Costs: Allowable AHP Program costs will be reviewed based on the final HUD 1 Closing Disclosure Statement Settlement Statement or other HUD approved form. The AHP Program reserves the right to restrict its level of approved assistance. Any unallowable cost will not be included in the assistance. The AHP Program will have sole discretion in defining the allowable closing costs, down payment assistance, and principal reduction amount for each applicant. In no instance will the applicant be allowed to receive funds back.
Fees charged by third party mortgage lenders are limited to the greater of two percent (2%) of the mortgage loan amount or $3,500, including but not limited to origination, application, and/or underwriting fees. Fees associated with the origination of Single Family Mortgage Revenue Bond and Mortgage Credit Certificate programs will not be included in the limit. Fees paid to parties other than the first lien lender and reflected on the HUD-1 Closing Disclosure Statement (other closing statement) will not be included in the limit. Fees collected by the first lien lender at closing to be paid to other parties by the first lien lender that are supported by an invoice and reflected on the HUD-1 (or other closing Disclosure Statement statement) will not be included in the limit.

F. Ineligible Costs: Ineligible closing costs may include, but not be limited to the following:

- Abstract of Title
- Application fee
- Assignment fee
- Commitment fee
- Endorsement fee
- EPA Lien Endorsement
- Flood Elevation Certificate
- Lock In fee
- Notary fee
- Pest Treatment
- Restrictions
- Sales Commission
- Title Examination
- Title Insurance Binder
- Any repair cost associated with bringing the housing unit up to compliance with AHP Program standards prior to closing

No funds shall be disbursed to the assisted Household at closing. The HOME assistance shall be reduced in the amount necessary to prevent the Household’s direct receipt of funds if the HUD-1 settlement Closing Disclosure Statement statement (or other closing statement) shows funds to be provided to the buyer at closing.

G. Borrower's Acknowledgments/Certification: The AHP Program will not provide assistance to an applicant who does not agree to all applicable AHP Program requirements or limitations. The AHP Program shall have the reclusive right to make the final determination of what AHP Program requirements apply to each Applicant; the eligibility of the Applicant, and house to be purchased; the acceptability of the primary mortgage financing; and the amount of AHP Program assistance to be provided.

VII. APPLICATION PROCESS

A. General: In order to apply for assistance through the AHP Program, the Applicant must complete a mortgage loan application and execute a sales contract to purchase their first home. The applications, with required documents, must be provided to AHP Program Staff. The Applicant and property must be determined eligible prior to receiving assistance. Eligibility may be reviewed throughout the process. Final approval must take place issued prior to closing. The AHP Program is under no obligation to process an application that has been found ineligible at any point during the application review process.
If an Applicant is interested in participating in the AHP Program, he/she may obtain written information at the Community Development Department located at 502 E. Tyler, Harlingen, Texas or through our designee, Texas. AHP Program participation is contingent upon the applicant submitting a “complete” application. Incomplete applications will not be processed. FAXED APPLICATION PACKAGES ARE NOT ACCEPTABLE. However, Pre-A-Application packages may be emailed in “pdf” format.

B. Staff Functions: AHP Program Staff will have the responsibility for reviewing applications, the review, approval and processing of all applications. Lending staff will be responsible for making determinations of eligibility, ensuring application completeness, tracking projects, tracking, approving applications, denying applications, and withdrawing applications, approvals, denials, and withdrawals. Their responsibilities will also include the initial preparation of second lien documents and funding. Lending Program Staff will have the authority to develop and implement appropriate forms, processes and procedures required to satisfy AHP Program Guidelines and limits for application processing and approval.

Staff Community Development Staff functions will also include, but are not limited to, conducting and/or insuring the completion of the Uniform Physical Condition Standards (UPCS) evaluations.

C. Application Priority: Application processing priority shall be determined as follows:
- Applications received prior to 12 pm on a business day will be date stamped on that day of business.
- Applications require a minimum of five (5) working days to review and approve an application from the date stamped on application.
- Processing of the application will not begin until all documents are received.
- Incomplete applications will not be processed. If the application is incomplete, no notification will be faxed or emailed to the lending institution and/or Applicant. The AHP Program is under no obligation to process an application that is incomplete.

D. Application Submittal/Processing: AHP Program staff may accept applications for assistance throughout the year on a first-qualified, first come, first serve basis, or may limit when applications may be accepted. In order to make a final income eligibility determination on any household, the following documents must be submitted:
- Completed AHP Application or other form required by Harlingen’s designee, Program Eligibility Screening Form
- AHP Eligibility Release Form
- Financial Privacy Notice to Applicants
- HUD Program Application Requirements
- Affidavit of Applicant
- Borrower’s Agreement/Certification
- Copy of current government issued picture I.D. (for all adult household members)
- Copy of Social Security card for all household members.
- Copy of Divorce Decree and/or Proof of Child Support (for ALL children)
- 4 most recent paycheck stubs (2-month history for all working household members)
- Proof of other sources of income (i.e. SSA, SSDI, SSI, TANF, etc.)
- Verification of Assets (Real Property, Retirement Savings, life insurance policies, etc.)
- W2s, 1040’s, and 1099’s for the last three-two years (for all adults, if applicable)
- Most recent bank statements for all financial institutions for all household members (3 months for checking and 6 months savings)
- Homebuyer Education Course Certificate with a copy of their applicant(s) household budget.
- Lender’s Conditional Approval Letter/Underwriting Findings
- **Lender’s Loan Application with Lender**
  - Good Faith Estimate
  - Truth-in-Lending Disclosure/Closing Disclosure Statement
- **3rd Party Verification of Employment (for all working household members)**
- Verification of Rent/Living Arrangements (1-year rental history required, if renting)
- Credit Report(s) with Explanation of Derogatory Accounts

Sample verification forms for determining annual (gross) income are available in Appendix 5.

Eligibility determinations **can take at least ten (10) working days from the date of receipt of the completed application and required documentation**, are usually completed within five (5) working days of receipt. Lenders/Applicants are encouraged to use the checklist contained in Appendix 3 of the AHP Program Guidelines to ensure that files contain all of the documentation necessary to make an eligibility determination. Doing so will expedite the determination process.

Although Staff may process applications as submitted, they retain the right to request additional information and/or verification of information provided anytime during the review process. Applications may be denied or placed on hold if found to be incomplete or contain faulty information. Staff is under no obligation to process or approve an application determined ineligible during any of these reviews. Staff will notify lenders within fifteen (15) days of their application being denied or placed in “HOLD” status via an Eligibility Determination Letter.

Once an eligibility determination is made, AHP Program Staff must conduct an environmental review of the property and issue a General Information Notice to the Seller advising him/her of their rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. In order to complete these tasks, the Lender must submit copies of the following documents:

- Purchase Agreement including the name, address, phone and fax number of the Seller
- **3rd Party Financing Addendum**
- Lead-Based Paint Disclosure (for any property built prior to 1978)

Once the environmental checklist is complete and the required notices are issued, a property inspection is scheduled. Upon completion, the Lender and/or Seller will be provided with a list of deficiencies or a Funding Commitment Letter indicating the property passed the evaluation.

If the unit fails the inspection, the Applicant may choose to allow the Seller time to make the necessary repairs or he/she can choose to look for another housing unit that meets the City’s adopted codes. Staff will schedule another inspection once they receive notification that the repairs are complete, or they receive a purchase agreement on another property.

**E. Payments:** Upon receipt of the Funding Commitment Letter, the Lender must submit a payment request along with copies of the Title Commitment Letter, Tax Certificate, Appraisal and Pre-HUD 1 Closing Disclosure Settlement Statement (or other approved form) to Program Staff at the Community Development Department. The Subordination Agreement, 2nd Deed of Trust and Real Estate Lien Note cannot be prepared until these documents have
been submitted. The legal documents and Residential Homestead Exemption Application will be delivered to the Closing Agent once the Community Development Director has signed the Subordination Agreement. The Closing Agent will be responsible for entering the dates of execution, primary loan amount, name of the Trustee, and legal description as well as securing the required signatures.

Payment requests are generally processed on Tuesdays 7 days prior to the date of the check. Generally, funds become available within 48-72 hours of processing. However, funding checks will not be released until the following documents are submitted to the Community Development Department of the City of Harlingen:

- Certified copy of the fully executed Final Settlement Statement
- Fully executed Real Estate Lien Note (original)
- Certified (or filed) copy of the fully executed recorded Subordination Agreement
- Certified (or filed) copy of the fully executed recorded 2nd Deed of Trust
- Copy of Homeowners Insurance Certificate

These documents are necessary to ensure proper file maintenance.

F. Application Denial/Closure: The AHP Program may deny assistance to any Applicant or application that does not meet all applicable requirements and restrictions of the AHP Program guidelines, as amended. Once an application has been reviewed and denied for legitimate reasons, the application will be retired and considered closed. AHP applicants that are denied may not reapply for the AHP program until after six (6) months from the denial date. However, the six (6) month waiting period will not apply to applicants, if denial is disputed with support documentation or on the basis of a high long term debt ratio and the applicant has satisfied debt to lower the ratio. Denied applications will not be reevaluated for changes in family size, income, or other criteria until the six (6) month waiting period has expired without written approval from the Community Development Director.

If an Applicant would like to reapply for assistance in the future, he/she/they must complete and submit a new application after a period of six (6) months from the date of denial. The AHP Program will not retrieve or utilize any previous application information for the new application. Lenders will be notified within fifteen (15) days of denial.

G. Disqualification of Applicants: Applicants may be disqualified from participating in the AHP Program for any of the following reasons, which may include but are not limited to:

- Any Applicant, at any stage of the AHP Program process, who knowingly presents false or misleading information, makes false statements, or misrepresents himself or herself or their financial condition to the AHP Program and/or staff will be disqualified from the AHP Program.
- Any Applicant who has been debarred from participation in federal programs.
- Any Applicant who refuses to sign the Borrower’s Acknowledgements.

VIII. REPORTING AND RECORD KEEPING

A. General: By making submitting an application to the AHP Program, it is understood, agreed and authorized by the Applicant that the AHP Program Staff may research, obtain, and share financial and property related information for the purposes of determining eligibility and the need for AHP Program assistance.
B. Program Performance Measurement: For the purposes of consistency, accountability, evaluation, and tracking of units and spending, Program Staff will utilize the following definitions and premises:
- Pending projects shall be defined as applications received, but not approved.
- Approved projects shall be defined as pending projects that have been approved and funds committed for closing within sixty (60) days (in the same fiscal year).
- Completed projects shall be defined as approved projects closed within the same year.

IX. ADDITIONAL REQUIREMENTS

A. Non-Discrimination: It is the policy of the City of Harlingen’s Community Development Department and/or their designee, to provide services without regard to race, color, religion, national origin, sex, familial status, or physical handicap. The AHP Program will operate in accordance with all applicable federal, state and local Fair Housing and Equal Opportunity laws and regulations.

B. Conflict of Interest: The City of Harlingen and/or their designee covenants that neither member of its organization nor staff member who exercises influence on the decision making process presently has or will have any interest, direct or indirect, with any person, corporation, company or association hired to carry out any program activities or is a beneficiary of any program activity. All program participants will be required to sign a Conflict of Interest statement under which any existing or potential conflict of interest must be revealed.

C. Affirmative Marketing Plan: AHP Program staff supports federal affirmative marketing requirements for federally assisted projects. Affirmative marketing consists of actions that provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, religion, national origin, age, sex, familial status, handicap, sexual orientation, or gender identity or any other protected classes. The AHP Program will be marketed through sources identified serving the AHP Program’s target market. Marketing initiatives may include, but not be limited to, realtors, community groups, churches, minority publications, lenders, builders, and nonprofit organizations. The AHP Program marketing plan will be consistent with the affirmative marketing plan identified in the City of Harlingen’s Annual Action Plan.

D. Survey: Program Staff may provide a survey to clients to measure the overall satisfaction with its affordable housing programs and to obtain input from low and moderate income persons about how to improve its programs. The survey may include reference to the AHP Program in general, AHP Program Staff, participating lenders, contractors’ services, outreach activities and overall service needs.

X. DEFAULT SANCTIONS

A. Default: Default shall exist if any use of AHP Funds for any purpose other than authorized or any breach of any covenant, agreement, provision, or warrant of the Lender or Applicant made in the AHP application or in the Subordination Agreement.

B. AHP Program Violations: Should an Applicant and/or Lender violate Program Guidelines or the terms and conditions of an approved and executed agreement with the Program, the Applicant and/or Lender will be notified of the violation in writing. If the Applicant and/or Lender do not take appropriate action to rectify the violation within the time period specified, the AHP Program may seek legal remedies. Although it is not the intent of the AHP Program to
gain any premature monetary reimbursement of financial assistance provided to the Applicant, the AHP Program may seek legal recourse.

XI. DOCUMENT MAINTENANCE

These guidelines/policies will undergo the normal periodic process of revisions, corrections, and additions to ensure compliance with federal regulations and the intent of the program. Any changes due to statutory or regulatory requirements or changes to existing policies approved by the Board to incorporate changes made to existing policies codified in the Code of Federal Regulations are also considered as non-significant and can be approved at the staff level.

Community Development Advisory Board Approval: June 30, 2016

APPENDICES

1. HOME INCOME LIMITS Effective June 1, 2015
   FHA 203 (b) MORTGAGE LIMITS Effective February 22, 2008
   SECTION 234 CONDOMINIUM MORTGAGE LIMITS Effective March 1, 2015
2. ANNUAL INCOME as defined in 24 CFR Part 5 and any amendments thereto.
3. AFFORDABLE HOUSING PROGRAM FILE CHECKLISTS 1 & 2
4. LIST OF PARTICIPATING BUILDERS/LENDERS (not all-inclusive list)
5. AHP PROGRAM FORMS / TEMPLATES
6. LIST OF APPROVED HOMEBUYER EDUCATION COURSE PROVIDERS
7. LIST OF REQUIRED DOCUMENTS TO TAKE TO LENDER
8. LIST OF PROPERTY CONDITIONS
9. AHP INSPECTION CHECKLIST
Affordable Housing Program Guidelines
Amended June 21, 2016

City of Harlingen
Community Development Dept.
502 E. Tyler
Harlingen, Texas 78550
(956) 216-5180 Phone
(956) 216-5186 Fax
### Summary of Affordable Housing Program

<table>
<thead>
<tr>
<th><strong>Funding Source:</strong></th>
<th>U.S. Department of Housing &amp; Urban Development’s HOME Investment Partnerships Program.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AHP Assistance:</strong></td>
<td>Amount of assistance is determined based on a gap analysis; assistance shall be no less than $1,000 and no more than necessary to make the home affordable, up to $25,000.</td>
</tr>
</tbody>
</table>
| **Debt Ratios:** | New monthly housing expense ratio must be between 15-30%  
Long term debt ratio must be between 36- 43% |
| **Interest Rates:** | Lenders interest rates shall NOT exceed 2% of the current FHA Rate. |
| **Form of Assistance:** | 0% interest deferred loan repayable upon resale, refinance, or payoff of the unforgiven portion of the first lien within the period of affordability, 2nd Deed of Trust held by City of Harlingen. |
| **Borrower Eligibility:** | Households with a total gross income at or below 80% of area median income with a capacity to repay a mortgage loan. |
| **Borrower Responsibility:** | Must agree to live in house as principal place of residence during the affordability period and make a minimum investment of two thousand ($2,000) dollars. |
| **Property Requirements:** | Subject properties must be vacant (unless occupied by Seller); meet or exceed the codes adopted by the City of Harlingen and meet the Uniform Physical Conditions Standards; cost cannot exceed 95% of the median area purchase price, as determined by HUD. |
| **Geographic Area:** | Subject properties must be located within the corporate city- limits of Harlingen. |
| **Funded by:** | Community Development Department (Through the U.S. Department of Housing and Urban Development)  
502 E. Tyler, Harlingen, Texas  78550  
Phones:  (956) 216-5180 Fax (956) 216-5186  
Email: housingharlingen@myharlingen.us |
AFFORDABLE HOUSING PROGRAM GUIDELINES

I. PURPOSE

The purpose of the Affordable Housing Program (AHP) is to increase housing opportunities to qualified low to moderate income households by providing necessary financial assistance for eligible down payment, closing costs and/or principle loan reduction in order to purchase an existing or newly constructed single-family home within the city-limits of Harlingen, Texas.

II. PROGRAM RESPONSIBILITIES

The Program is under the administrative control of the Community Development Director for the City of Harlingen. The Community Development Director, or his/her designee, shall have the authority to:

A. Establish processes, procedures, and criteria for the development, implementation and operation of the Program.
B. Establish yearly financial assistance limits based on available funding.
C. Execute all applicable program related documents and forms.

III. PROGRAM FUNDING

The Program is funded with HOME Investment Partnerships Program (HOME) grant funds provided by the U.S. Department of Housing and Urban Development (HUD) to the City of Harlingen, and is under the jurisdiction of HUD. The Program shall operate under the applicable federal provisions of 24 CFR Part 92. Should a conflict arise between the rules of City of Harlingen, Harlingen’s designee, the Program Guidelines, or the HOME Program regulations, and/or the fund source, the fund source interpretation shall govern.

IV. DEFINITIONS/ACRONYMS

- **APPLICANT** – individual requesting Program assistance by submission of a complete application.
- **APPLICATION** – Lender’s application (1003 or other application).
- **AMI** – Area Median Income.
- **CITY** – Harlingen, Cameron County, Texas.
- **AHP** – Down Payment Assistance, gap financing, closing costs, etc.
- **FUND SOURCE** – the origination point of the funds used to provide financial assistance.
- **HOMEOWNERSHIP** – means ownership in fee simple title in a 1- to 4-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD.
- **HUD** – U.S. Department of Housing and Urban Development.
- **LONG TERM DEBT RATIO**: A debt to income ratio measuring the percentage of your income that goes towards all debt payments including housing expenses, along with all other debt payments (such as auto loans, credit cards, and other debts).
- **LOW-INCOME FAMILIES** – means families whose gross annual income does not exceed 80% of the area median income.
- **MONTHLY HOUSING EXPENSE RATIO**: A debt to income ratio measuring the percentage of your income that covers housing payments including – principal, interest, taxes, and insurance (PITI).
- **NEWLY CONSTRUCTED UNIT**: A property which received a Certificate of Occupancy within 1 year prior to the commitment of Program funds.
• **HOMEBUYER’S INVESTMENT** -- Money that borrower is required to invest to participate in the Program.

• **PRINCIPAL RESIDENCE** – primary residence of applicant.

• **PROGRAM** – refers to the Affordable Housing Program provided by the City of Harlingen and/or designee.

• **PROGRAM STAFF** – refers to Community Development Staff and/or Harlingen’s designee.

• **SUBJECT PROPERTY** – the house the Applicant intends to purchase for which HOME assistance is being requested.

• **UNIFORM PHYSICAL CONDITION STANDARDS (UPCS)** – means uniform national standards established by HUD pursuant to 24CFR 5.703 for housing that is decent, safe, sanitary, and in good repair.

### VI. PROGRAM ELIGIBILITY

Although not all-inclusive, the Applicant and subject property must meet all of the following minimum conditions in order to be considered for program assistance. AHP assistance may not be provided if any of the following minimum eligibility requirements are not met by the Applicant or the subject property.

- **Homebuyer’s Participation:** Homebuyers are required to invest a minimum of two thousand ($2,000) dollars. This requirement can be met by payments made outside of closing (surveys, credit report fees, appraisals, etc.) as long as the buyer can provide proof of payment in the form of receipt, returned check or electronic funds transfer. Homebuyer must provide proof of the minimum $2,000 at time of application.

For applicants that owe $5,000 or less on the residential lot they intend to build upon, the equity on that lot may be used to meet the homebuyer’s minimum cash investment of $2,000.00.

- **First-Time Homebuyer:** Applicants must be a first-time homebuyer, which is defined as follows:
  
  o At the time of application, did not at any time during the past 3 years, have ownership interest in any residential property.
  o The term first-time homebuyer includes displaced homemakers and single parents. A displaced homemaker is a person who has worked only in the home for a substantial number of years.

- **Age:** Applicant(s) must be 18 years of age or older.

- **Legal Status of the Applicant:** HUD prohibits providing assistance to persons not lawfully present in the United States. All contributing members of the household receiving Program funds must be either a:
  
  o Citizen of the United States
  o Permanent Resident Alien
  o Temporary Resident Alien with authorization work in the United States.

The Program reserves the right to request documented verification as a condition to making an eligibility determination of the Applicant.

- **Establishment of Need:** As a condition of eligibility, the Program requires the Applicant to demonstrate their need for assistance. If it is determined that the applicant has sufficient
financial assets or capabilities, the Program is under no obligation to provide assistance. The total household liquid assets are limited to a verifiable total not to exceed $10,000.00. Total unimproved real estate where home is to be constructed is not included as an asset. Assets include, but are not limited to the following: checking and savings accounts, stocks, bonds, retirement/pensions, mutual funds, real property, and vehicles.

Exempt assets include the first family vehicle, vehicles necessary for employment or training-related purposes, and vehicles used to transport a physically handicapped person.

Transfer of resources within one year of application by household members for the purpose of qualifying for the Program is strictly prohibited.

The Program retains the exclusive right to make the final determination of financial need and repayment capacity of the applicant household.

- **Amount of Assistance/Subsidy Layering (Gap) Analysis:** The Program will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to make the home affordable.

  The actual amount of assistance will be determined by conducting a subsidy layering (gap) analysis of the transaction. To ensure long term affordability, the analysis shall take into consideration factors such as total household debt, monthly household expenses, assets available to acquire the housing, resources needed to sustain homeownership, including the terms of planned mortgages.

  The minimum per unit subsidy shall not be less than $1,000. The maximum per unit subsidy shall not exceed the Section 234 Condominium Housing basic mortgage limits, for elevator type projects as adjusted by the HUD Local Field Office for the jurisdiction, or $25,000, whichever is less. Program subsidy limits are amended annually in Appendix 1.

- **Income Eligibility:** An Applicant’s gross annual household income may not exceed 80% of the Area Median Income (AMI) as adjusted for household size. The Program shall use the low to moderate-income limit determinations developed by the U.S. Department of Housing and Urban Development (HUD) on an annual basis. Program income limits are amended annually in Appendix 1. Until notification has been received that the annual income limits have changed, the Program may use the HUD income guidelines in effect from the previous year.

  The Program retains the exclusive right to make the final determination of the income eligibility of an Applicant household. The Program shall use the federal standard of determining income eligibility under the provisions of 24 CFR Part 5.609 (See Appendix 2 for a Technical Guide on Determining Income and Allowances for the HOME Program). The Program may require the submission of additional documentation or information from an Applicant in order to accurately determine income eligibility. Failure of the Applicant/Lender to provide requested information within 7-10 days of written notification may be considered non-responsive and the application may be denied. Under no circumstances may the Program provide assistance to an Applicant household that has not been determined income eligible by the Program.

  Although not all-inclusive, income eligibility is based on the gross annual income produced by all members of the household (related or not) and projected over the next 12 months (24CFR92.254(a)(3)). This includes all income earned (part-time employment, overtime, bonuses, etc.) and unearned (i.e. child support, Social Security, Disability, etc.) It must be recognized by all parties that the method of calculating income for Program eligibility purposes may be different than for lending or real estate purposes. If AHP assistance is not
provided within 6 months of the income certification, recertification is required. The Program assumes no responsibility or liability of income determinations made by any party involved in a specific request for assistance other than the Program and its designated staff.

- **Maximum Debt Ratios:** For both existing and newly constructed homes, the household’s total mortgage payment, inclusive of Principal, Interest, Taxes, and Insurance (PITI) shall be no less than 15% and no greater than 30% of the household’s monthly gross income at the time of assistance. The minimum and maximum household expense ratio shall be dependent upon household’s income level according to the table below:

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Minimum MHE Ratio</th>
<th>Maximum MHE Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>For households at 61—80% AMI</td>
<td>15% or $500, whichever is higher</td>
<td>Maximum 30%</td>
</tr>
<tr>
<td>For households at 51—60% AMI</td>
<td>19% or $500, whichever is higher</td>
<td>Maximum 30%</td>
</tr>
<tr>
<td>For households at 0—50% AMI*</td>
<td>23% or $500, whichever is higher</td>
<td>Maximum 30%</td>
</tr>
</tbody>
</table>

*It is important to note that the majority of households applying and receiving assistance through the AHP will have incomes above 30% of the area median income as most households at or below 30% AMI will not sufficient have income to sustain a mortgage.

The total long-term debt ratio, which includes expected monthly mortgage payments and existing recurring monthly debt payments, cannot exceed 43% percent. In computing debt-to-income ratios, debt payments must include recurring charges including payments on installment accounts, child support or separate maintenance payments, revolving accounts, and alimony, etc.

The AHP takes the debt of all adult household members into consideration when making an income eligibility determination.

**With compensating factors, higher ratios may be considered by the Community Development Director on a case-by-case basis.**

**NOTE:** The AHP does not include collection accounts for medical expenses in its debt ratio calculations.

- **Credit History/Other Eligibility Criteria:** Applicants must have, at a minimum, a 2-year history of demonstrating financial responsibility and cannot have a charge off within the past 3 years. The long-term success of the Applicant’s ability to maintain homeownership is a primary consideration of the Program. Therefore, only those Applicants that have shown a demonstrated effort to be financially responsible will be awarded assistance.

While a few Lenders may accept FICO scores as low as 580, most require a minimum score of 620.

No bankruptcy within the following timeframes:
- Chapter 7: Must be five (5) years from discharge.
- Chapter 13: Must be three (3) years from discharge.
No foreclosure within the past three (3) years.

No outstanding judgments.

An Applicant must also be rejected if he/she is presently delinquent on any Federal debt or has a lien placed against his/her property for a debt owed to the United States Government.

An Applicant is not eligible to participate in the AHP if he/she is suspended, debarred, or otherwise excluded from participating in HUD programs.

- **Financing**: The Applicant must qualify for primary mortgage financing from a mortgage lender, mortgage banker or owner to purchase a home. The first lien mortgage must be a fully amortized, fixed rate loan for up to thirty (30) years with an interest rate that does not exceed prevailing market rates for conforming loans. The Program retains the right to choose the applicable indicator or method it will use in determining acceptable prevailing market rates for a mortgage loan secured by an Applicant. The Program may decline participation in providing program assistance if the proposed interest rate of the Applicant’s mortgage exceeds the prevailing market rate indicator or method the Program has chosen. FHA 203B, FHA, VA or Conventional Loans are eligible under this Program.

- **Ineligible Financing**: The Program reserves the right to determine whether to participate in any application for assistance based on the type of mortgage being secured by the Applicant. For this reason, Adjustable Rates Mortgages (ARMS), Balloon Payment mortgages, Wraparound mortgages, Graduated Mortgages, Negative Amortization mortgages are **NOT** allowed under this Program. Should Program analysis reveal that the conditions of the primary mortgage financing exceeds the Applicant’s ability to reasonably meet the financial responsibilities of the mortgage or place them in a default position, the Program reserves the right to deny the application. The Program is under no obligation to provide financial assistance to an Applicant if it is clear the mortgage is not in the best interest of the Program and/or the Applicant. Permanent Mortgage Buydowns may be considered on a case-by-case basis for loans under $50,000.

- **Homebuyer Education Course**: All adult household members are required to complete an 8-hour Homebuyer Education course as provided by an approved Housing Counselor.

Please refer to *Appendix 6* for the list of approved Homebuyer Education Course Providers.

- **Program Options**: Applicants have a few options when applying for homebuyer assistance:
  
  - Applicants may purchase an existing home;
  - Applicants may choose to build an affordable home on a lot they own;
  - Applicants may choose to build an affordable home on a lot that the City currently owns;
  - Applicants may choose to build an affordable home through a local builder.

In order to be considered for Program assistance, the subject property must meet all of the following criteria prior to closing:

- Subject property must be located within the corporate city limits of Harlingen. Properties located in the City’s Extra Territorial Jurisdictions (ETJ) and Limited Purpose Annexed (LPA) areas are not considered part of the corporate city limits for this Program and are ineligible.
- Subject property must be a single-family residence (detached house, townhouse, or condominium). A, duplex, triplex, or a four-plex are not eligible properties under this Program. New manufactured homes and all manufactured housing that replaces an existing substandard unit under the definition of “reconstruction” must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.43f(c)(i). Further, all manufactured housing must, at the time of completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner (24 CFR 92.251(e)). Recreational vehicles, campers and other such vehicles are ineligible.

- The maximum sales price of the housing unit must not exceed ninety-five percent (95%) of the median value for the area (24 CFR 92.254(a)(2)(iii)) as adjusted by HUD annually in Appendix 1.

- Subject property must be vacant or owner-occupied. Properties occupied by tenants within the last ninety (90) days are ineligible EXCEPT in cases where the tenant intends to purchase the housing unit they currently occupy/rent.

- Unit must contain adequate living space. Program funds are governed by certain Federal Regulations to ensure that funds are not used to contribute to overcrowded housing conditions. Refer to the table below for the Occupancy Standards:

<table>
<thead>
<tr>
<th># of Family Members*</th>
<th>Minimum</th>
<th>Maximum</th>
<th># of Required Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1-2 Bedrooms</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2-3 Bedrooms</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>6</td>
<td>3-4 Bedrooms</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>8</td>
<td>4-5 Bedrooms</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>10</td>
<td>5-6 Bedrooms</td>
</tr>
<tr>
<td>10+</td>
<td>10+</td>
<td>10+</td>
<td>6+ Bedrooms</td>
</tr>
</tbody>
</table>

When necessary, one (1) adult person may be permitted to use the living room for sleeping purposes.

Two (2) children of the same sex, regardless of age may share a bedroom.

Two (2) children of different sex, who are both less than six (6) years of age, may share a bedroom.

*Depending on the age and sex of occupants, more bedroom space may be required.

- The housing unit can be any existing or newly constructed unit that can pass a Uniform Physical Condition Standards (UPCS) evaluation, prior to commitment of program funds, but no earlier than 90 days before the commitment of HOME assistance. Evaluations will be performed by City staff free of charge. The Program will use the City’s adopted codes and Uniform Physical Condition Standards issued pursuant to 24 CFR 5.705. The inspection will determine whether the subject property is decent, safe, sanitary and in good repair. If the housing unit does not meet these standards, the housing must be rehabilitated to meet the standards or it cannot be acquired with HOME funds. All noted deficiencies in the UPCS report must be addressed before the final settlement date. UPCS evaluations do not serve in lieu of structural inspections. Newly constructed units must have a Certificate of Occupancy issued by the City of Harlingen’s Building
Inspections Department and a Texas Windstorm Certificate issued by the Texas Department of Insurance.

All manufactured housing including manufactured housing that replaces an existing substandard unit under the definition of “reconstruction” must meet the Manufactured Home Construction and Safety Standards codified in 24 CFR 3280. These standards preempt State and local codes which are not identical to the federal standards for the new construction of manufactured housing. All manufactured housing must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.43f(c)(i). All manufactured housing must be connected to permanent utility hook-ups and be located on land to be owned by the manufactured housing unit at the time of project completion.

Disclaimer: The UPCS evaluation is not a substitute for a TREC Inspection.

- Subject property built prior to 1978 must meet applicable HUD regulations regarding Lead Based Paint in accordance with 24 CFR Part 35. A visual assessment on all painted surfaces shall be performed for detection of lead-based paint.

- Funds provided under this Agreement may not be used in connection with acquisition, rehabilitation, or construction of a development located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the locality in which the site is located is participating in the National Flood Insurance Program or less than a year has passed since FEMA notification regarding such hazards and flood insurance is obtained as a condition of approval of the commitment.

- Subject property must be located in an area where Federal Assistance is permitted. Housing units located in areas where the use of Federal funds is strictly prohibited by the Coastal Barriers Resources Act or located within a runway clear zone of a civil or military airport are ineligible.

- Subject property cannot be used for rental, commercial or other non principle place of residence purposes.

- Subject property must be free of all abandoned appliances, junked vehicles, trash, rubbish, etc. before assistance will be rendered.

- Applicants that choose to build an affordable home on a lot they currently own or are still paying on, must provide proof of clear title and deed the property to the City which will be transferred to homebuyer after home is constructed. Proof of paid property taxes must be submitted at time of application.

VII. PROGRAM ASSISTANCE

The terms and conditions of Program assistance may include, but are not limited to the following:

Fund Availability: As a condition of eligibility, the Program must have sufficient program funds available to pay for the assistance. The Program is under no obligation to process any application if it has been determined there are insufficient funds available to fund the program. The Program retains the right to restrict or adjust levels of down payment assistance during the program year in order to accommodate anticipated reductions or reduced levels of fund availability. Subject to Program and Loan Limitations, a Zero Interest Deferred Loan for closing costs, down payment, and principal reduction may be provided under this Program.
In the event that all Program assistance funds are obligated, a time and date order waiting list will be maintained in case any of the loans for which homebuyer assistance is being provided fails. In that circumstance, the next applicant on the waiting list will be processed for assistance.

**Subsidy Limits:** The amount of Program assistance that may be provided to an eligible Applicant will be based on a gap analysis. Subsidies shall be no less than $1,000 and no more than necessary to make the home affordable. Applicants who are not eligible for at least $1,000 in total homebuyer assistance are ineligible for assistance. The Maximum-per-unit subsidy shall not exceed the Section 234 – Condominium Housing basic mortgage limits, for elevator type projects as adjusted by the HUD Local Field Office for the jurisdiction, or $25,000, whichever is less.

**Lien Terms/Repayment:** Program assistance will be in the form of a zero interest, deferred loan. The zero interest, deferred loan will be secured through a second lien (Second Deed of Trust). The principal amount of the loan shall be deferred and forgiven over the appropriate period of affordability, which can range from 5-15 years depending on the amount of HOME funds provided directly to the homebuyer.

<table>
<thead>
<tr>
<th>HOME Funds to Buyer</th>
<th>Minimum Affordability Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $14,999</td>
<td>5 years</td>
</tr>
<tr>
<td>$15,000-$40,000</td>
<td>10 years</td>
</tr>
<tr>
<td>Over $40,000</td>
<td>15 years</td>
</tr>
</tbody>
</table>

**Default:** During the affordability period, the following conditions will constitute default, and require that the unforgiven portion of the deferred second mortgage loan to become immediately due and payable:

- Upon refinance or home equity loan, sale, lease, transfer of title, or death of the principals.
- Upon failure to occupy the house as the household’s primary residence and claim it as their homestead.
- Upon failure to maintain the property in a safe, sanitary and decent condition, with adopted codes and ordinances.

Upon transfer of note, assumption of note, or sale for less than fair market value the entire amount of the HOME assistance will be immediately due and payable.

If homebuyers fail to meet their obligations as stated above, the unforgiven portion of the deferred second mortgage loan shall be due and payable to the City of Harlingen at the time of sale/closing, subject to the availability of net proceeds.

Net proceeds to the Homebuyer shall be calculated by taking the sales price less any down payment and closing costs paid, less all capital improvements made since the purchase, if any, and less the superior non-HOME mortgage payoffs. As per 92.254(a)(5)(ii)(A), under no circumstances shall the City of Harlingen recapture more than is available from the net proceeds of the sale.

Net Proceeds will be calculated as follows:

\[
\text{Net Proceeds} = \text{Sale Price} - \text{Down Payment and Closing Costs} - \text{All Capital Improvements} - \text{Superior Non-HOME debt (1st mortgage)}
\]

The HOME program restrictions on the property shall terminate upon foreclosure, transfer in lieu of foreclosure or assignment of the FHA insured mortgage to the U.S. Department of Housing and Urban Development (HUD). To the extent that there are any proceeds from the foreclosure or other sale of the
property by HUD remaining after the HUD insured loan is paid, the remaining proceeds shall be paid to the City of Harlingen.

**Eligible Assistance Costs:** Allowable Program costs will be reviewed based on the Closing Disclosure Statement or other HUD approved form. The Program reserves the right to restrict its level of approved assistance. Any unallowable cost will not be included in the assistance. The Program will have sole discretion in defining the allowable closing costs, down payment assistance, and principal reduction amount for each applicant. In no instance will the applicant be allowed to receive funds back.

Fees charged by third party mortgage lenders are limited to the greater of two percent (2%) of the mortgage loan amount or $3,500, including but not limited to origination, application, and/or underwriting fees. Fees associated with the origination of Single Family Mortgage Revenue Bond and Mortgage Credit Certificate programs will not be included in the limit. Fees paid to parties other than the first lien lender and reflected on the Closing Disclosure Statement will not be included in the limit. Fees collected by the first lien lender at closing to be paid to other parties by the first lien lender that are supported by an invoice and reflected on the Closing Disclosure Statement will not be included in the limit.

**Ineligible Costs:** Ineligible closing costs may include, but not be limited to the following:

- Abstract of Title
- Application fee
- Assignment fee
- Commitment fee
- Endorsement fee
- EPA Lien Endorsement
- Flood Elevation Certificate
- Lock In fee
- Notary fee
- Pest Treatment
- Restrictions
- Sales Commission
- Title Examination
- Title Insurance Binder
- Any repair cost associated with bringing the housing unit up to compliance with Program standards prior to closing

No funds shall be disbursed to the assisted Household at closing. The HOME assistance shall be reduced in the amount necessary to prevent the Household’s direct receipt of funds if the Closing Disclosure Statement shows funds to be provided to the buyer at closing.

**Borrower’s Acknowledgments/Certification:** The Program will not provide assistance to an applicant who does not agree to all applicable Program requirements or limitations. The Program shall have the reclusive right to make the final determination of what Program requirements apply to each Applicant; the eligibility of the Applicant, and house to be purchased; the acceptability of the primary mortgage financing; and the amount of Program assistance to be provided.

**VII. APPLICATION PROCESS**

**General:** In order to apply for assistance through the Program, the Applicant must complete a mortgage loan application and execute a sales contract to purchase their first home. The applications, with required documents, must be provided to Program Staff. The Applicant and property must be determined eligible prior to receiving assistance. Eligibility may be reviewed throughout the process. Final approval must be
issued prior to closing. The Program is under no obligation to process an application that has been found ineligible at any point during the application review process.

If an Applicant is interested in participating in the Program, he/she may obtain written Program information at the Community Development Department located at 502 E. Tyler, Harlingen, Texas or through our designee., Texas. Program participation is contingent upon the applicant submitting a “complete” application. Incomplete applications will not be processed. **FAXED APPLICATION PACKAGES ARE NOT ACCEPTABLE.** However, Pre-Application packages may be emailed in “pdf” format.

**Staff Functions:** Program Staff will have the responsibility of reviewing applications, making determinations of eligibility, ensuring application completeness, tracking projects, approving applications, denying applications, and withdrawing applications. Their responsibilities will also include the initial preparation of second lien documents and funding. Program Staff will have the authority to develop and implement appropriate forms, processes and procedures required to satisfy Program Guidelines and limits for application processing and approval.

Community Development Staff functions will include, but are not limited to, conducting and/or insuring the completion of the Uniform Physical Condition Standards (UPCS) evaluations.

**Application Priority:** Application processing priority shall be determined as follows:

- Applications received prior to 12 pm on a business day will be date stamped on that day of business.
- Program Staff requires a minimum of ten (10) working days to review and approve an application from date stamped on application.
- Processing of the application will not begin until all documents are received.
- Incomplete applications will not be processed. If the application is incomplete, notification will be faxed or emailed to the lending institution and/or Applicant. The Program is under no obligation to process an application that is incomplete.

**Application Submittal/Processing:** Program staff may accept applications for assistance throughout the year on a first-qualified, first come, first serve basis, or may limit when applications may be accepted. In order to make a final income eligibility determination on any household, the following documents must be submitted:

- Completed AHP Application or other form required by Harlingen’s designee.
- AHP Eligibility Release Form
- Financial Privacy Notice to Applicants
- HUD Program Application Requirements
- Affidavit of Applicant
- Borrower’s Agreement/Certification
- Copy of current government issued picture I.D. *for all adult household members*
- Copy of Social Security card for all household members.
- Copy of Divorce Decree and/or Proof of Child Support (for ALL children)
- 4 most recent paycheck stubs *(2-month history for all working household members)*
- Proof of other sources of income (i.e. SSA, SSDI, SSI, TANF, etc.)
- Verification of Assets (Real Property, Retirement Savings, life insurance policies, etc.)
- W2s, 1040’s, and 1099’s for the last two years *(for all adults, if applicable)*
- Most recent bank statements for all financial institutions for all household members *(3 months for checking and 6 months savings)*
- Homebuyer Education Course Certificate with a copy of applicant(s) household budget.
- Lender’s Conditional Approval Letter/Underwriting Findings
- Lender’s Loan Application
- Closing Disclosure Statement
- Verification of Rent/Living Arrangements (1-year rental history required, if renting)
- Credit Report(s) with Explanation of Derogatory Accounts

Sample verification forms for determining annual (gross) income are available in Appendix 5.

Eligibility determinations can take at least ten (10) working days from the date of receipt of the completed application and required documentation. Lenders/Applicants are encouraged to use the checklist contained in Appendix 3 of the Program Guidelines to ensure that files contain all of the documentation necessary to make an eligibility determination. Doing so will expedite the determination process.

Although Staff may process applications as submitted, they retain the right to request additional information and/or verification of information provided anytime during the review process. Applications may be denied or placed on hold if found to be incomplete or contain faulty information. Staff is under no obligation to process or approve an application determined ineligible during any of these reviews. Staff will notify lenders within fifteen (15) days of their application being denied or placed in “HOLD” status via an Eligibility Determination Letter.

Once an eligibility determination is made, Program Staff must conduct an environmental review of the property and issue a General Information Notice to the Seller advising him/her of their rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. In order to complete these tasks, the Lender must submit copies of the following documents:

- Purchase Agreement including the name, address, phone and fax number of the Seller
- 3rd Party Financing Addendum
- Lead-Based Paint Disclosure (for any property built prior to 1978)

Once the environmental checklist is complete and the required notices are issued, a property inspection is scheduled. Upon completion, the Lender and/or Seller will be provided with a list of deficiencies or a Funding Commitment Letter indicating the property passed the evaluation.

If the unit fails the inspection, the Applicant may choose to allow the Seller time to make the necessary repairs or he/she can choose to look for another housing unit that meets the City’s adopted codes. Staff will schedule another inspection once they receive notification that the repairs are complete, or they receive a purchase agreement on another property.

**Payments:** Upon receipt of the Funding Commitment Letter, the Lender must submit a payment request along with copies of the Title Commitment Letter, Tax Certificate, Appraisal and Closing Disclosure Statement (or other approved form) to Program Staff. The Subordination Agreement, 2nd Deed of Trust and Real Estate Lien Note cannot be prepared until these documents have been submitted. The legal documents and Residential Homestead Exemption Application will be delivered to the Closing Agent once the Mayor has signed the Subordination Agreement. The Closing Agent will be responsible for entering the dates of execution, primary loan amount, name of the Trustee, and legal description as well as securing the required signatures.

Payment requests are generally processed 7 days prior to the date of the check. Generally, funds become available within 48-72 hours of processing. However, funding checks will not be released until the following documents are submitted to the Community Development Department of the City of Harlingen:
- Certified copy of the fully executed Final Settlement Statement
- Fully executed Real Estate Lien Note (original)
- Certified copy of the fully executed/recorded Subordination Agreement
- Certified copy of the fully executed/recorded 2nd Deed of Trust
- Copy of Homeowners Insurance Certificate

These documents are necessary to ensure proper file maintenance.

Application Denial/Closure: The Program may deny assistance to any Applicant or application that does not meet all applicable requirements and restrictions of the Program guidelines, as amended. Once an application has been reviewed and denied for legitimate reasons, the application will be retired and considered closed. AHP applicants that are denied may not reapply for the Program until after six (6) months from the denial date. However, the six (6) month waiting period will not apply to applicants if denial is disputed with support documentation or on the basis of a high long term debt ratio and the applicant has satisfied debt to lower the ratio. Denied applications will not be reevaluated for changes in family size, income, or other criteria until the six (6) month waiting period has expired without written approval from the Community Development Director.

If an Applicant would like to reapply for assistance in the future, he/she/they must complete and submit a new application after a period of six (6) months from the date of denial. The Program will not retrieve or utilize any previous application information for the new application. Lenders will be notified within fifteen (15) days of denial.

Disqualification of Applicants: Applicants may be disqualified from participating in the Program for any of the following reasons, which may include but are not limited to:

- Any Applicant, at any stage of the Program process, who knowingly presents false or misleading information, makes false statements, or misrepresents himself or herself or their financial condition to the Program and/or staff
- Any Applicant who has been debarred from participation in federal programs.
- Any Applicant who refuses to sign the Borrower’s Acknowledgements.

VIII. REPORTING AND RECORD KEEPING

General: By submitting an application to the Program, it is understood, agreed and authorized by the Applicant that Program Staff may research, obtain, and share financial and property related information for the purposes of determining eligibility and the need for Program assistance.

Program Performance Measurement: For the purposes of consistency, accountability, evaluation, and tracking of units and spending, Program Staff will utilize the following definitions and premises:

- Pending projects shall be defined as applications received, but not approved.
- Approved projects shall be defined as pending projects that have been approved and funds committed for closing within sixty (60) days (in the same fiscal year).
- Completed projects shall be defined as approved projects closed within the same year.

IX. ADDITIONAL REQUIREMENTS

Non-Discrimination: It is the policy of the City of Harlingen’s Community Development Department and/or their designee, to provide services without regard to race, color, religion, national origin, sex, familial status, or physical handicap, The Program will operate in accordance with all applicable federal, state and local Fair Housing and Equal Opportunity laws and regulations.

Conflict of Interest: The City of Harlingen and/or their designee covenants that neither member of its organization nor staff member who exercises influence on the decision making process presently has or
will have any interest, direct or indirect, with any person, corporation, company or association hired to carry out any program activities or is a beneficiary of any program activity. All program participants will be required to sign a Conflict of Interest statement under which any existing or potential conflict of interest must be revealed.

Affirmative Marketing Plan: Program Staff supports federal affirmative marketing requirements for federally assisted projects. Affirmative marketing consists of actions that provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, religion, national origin, age, sex, familial status, handicap, sexual orientation, or gender identity or any other protected classes. The Program will be marketed through sources identified serving the Program’s target market. Marketing initiatives may include, but not be limited to, realtors, community groups, churches, minority publications, lenders, builders, and non-profit organizations. The Program marketing plan will be consistent with the affirmative marketing plan identified in the City of Harlingen’s Annual Action Plan.

Survey: Program Staff may provide a survey to clients to measure the overall satisfaction with its affordable housing programs and to obtain input from low and moderate income persons about how to improve its programs. The survey may include reference to the Program in general, Program Staff, participating lenders, contractors’ services, outreach activities and overall service needs.

X. DEFAULT SANCTIONS

Default: Default shall exist if any use of AHP Funds for any purpose other than authorized or any breach of any covenant, agreement, provision, or warrant of the Lender or Applicant made in the AHP application or in the Subordination Agreement.

Program Violations: Should an Applicant and/or Lender violate Program Guidelines or the terms and conditions of an approved and executed agreement with the Program, the Applicant and/or Lender will be notified of the violation in writing. If the Applicant and/or Lender do not take appropriate action to rectify the violation within the time period specified, the Program may seek legal remedies. Although it is not the intent of the Program to gain any premature monetary reimbursement of financial assistance provided to the Applicant, the Program may seek legal recourse.

XI. DOCUMENT MAINTENANCE

These guidelines/policies will undergo the normal periodic process of revisions, corrections, and additions to ensure compliance with federal regulations and the intent of the program. Any changes due to statutory or regulatory requirements or changes to existing policies approved by the Board to incorporate changes made to existing policies codified in the Code of Federal Regulations are also considered as non-significant and can be approved at the staff level.

Community Development Advisory Board Approval: June 30, 2016
APPENDICES

1. HOME INCOME LIMITS Effective April 13, 2016
2. FHA 203 (b) MORTGAGE LIMITS Effective October 1, 2015
   SECTION 234 CONDOMINIUM MORTGAGE LIMITS Effective November 18, 2015
3. ANNUAL INCOME as defined in 24 CFR Part 5 and any amendments thereto.
4. FILE CHECKLISTS 1 & 2
5. LIST OF PARTICIPATING BUILDERS/LENDERS (not all-inclusive list)
6. PROGRAM FORMS / TEMPLATES
7. LIST OF APPROVED HOMEBUYER EDUCATION COURSE PROVIDERS
8. LIST OF REQUIRED DOCUMENTS TO TAKE TO LENDER
9. LIST OF PROPERTY CONDITIONS
10. INSPECTION CHECKLIST
ITEM #8 – APPROVAL OF BOARD MEMBER ATTENDANCE
I. **AGENDA ITEM:** APPROVAL OF BOARD MEMBER ATTENDANCE

V. **BRIEF OVERVIEW:**

Attached is the most recent attendance listing for Community Development Advisory Board Members. As per the by-laws, if a member is absent for 3 consecutive meetings, they will be automatically dropped from membership.

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<td>5. George McShan – Mayor Boswell</td>
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<td>6. Sylvia Flores – Commissioner Uhlhorn</td>
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<td>7. Connie Salas – Commissioner De La Rosa</td>
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<td>8. VACANT (F. DeLeon) – Commissioner Sanchez</td>
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<td>9. Tina Puente- Commissioner Uhlhorn</td>
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<td>10. Aaron Saenz – Commissioner Castillo</td>
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<td>11. Lupita Muniz – Commissioner Mezmar</td>
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<td>12. VACANT (Y.Cano) – Commissioner Mezmar</td>
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**COMMUNITY DEVELOPMENT ADVISORY BOARD ATTENDANCE LISTING**

_Tammy DeGannes-Jackson, Community Development Director_