



Hurricane Harvey Affordable Rental Housing Program

The Texas General Land Office Community Development and Revitalization Division (GLO-CDR)

“We work to rebuild communities, to put Texans back in their homes, and to help businesses recover after the trauma of disaster.”

George P. Bush

Texas General Land Office Commissioner

July 13, 2018



Hurricane Harvey Affordable Rental Housing Program

Program Summary:

- Allocation Amount: \$250,000,000
- Eligible Counties: 48 impacted by Hurricane Harvey*
- Applications Accepted: July 23 to October 23, 2018

* Does not include Harris County



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Allocation by COG

AACOG	\$ 2,290,367.75
BVCOG	\$ 2,494,538.81
CAPCOG	\$ 8,942,865.85
CBCOG	\$ 42,196,325.14
CTCOG	\$ 500,000.00
DETCOG	\$ 30,000,814.75
GCRPC	\$ 18,612,232.81
HGAC East	\$ 48,777,923.44
HGAC West	\$ 35,137,608.62
SETRPC	<u>\$ 61,047,322.83</u>
Total	\$250,000,000.00



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Program Terms:

- Minimum Allocation Amount – \$250,000
- Maximum Allocation Amount – \$25,000,000
- Grant Term – 20 Years
- Minimum development size – 8 units



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Program Requirements:

- Federal
- State
- Reporting
- Compliance



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Federal Requirements:

- Community Development Block Grant disaster recovery (CDBG-DR) funds can be used to acquire, rehabilitate, reconstruct or construct new affordable rental housing. Rehabilitation and reconstruction will be prioritized in this first Notice of Funding Availability (NOFA).
- Like all CDBG-DR activities, rental activities must meet one of the three National Objectives: benefitting low- and moderate-income (LMI) persons, addressing slum or blight, or meeting an urgent need.
- The LMI benefit is selected as the National Objective for rental activities.



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Federal Requirements:

- At least 51% of the units must be occupied by LMI households at restricted rents to qualify.
- Rents must comply with HOME rent limits (capped at the High HOME rent level) or HUD-approved project-based rents.
- Tenant-paid rent, plus utility allowance, plus rental assistance (if any) must be under the High HOME or HUD-approved rent limit.



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Federal Requirements – Eligible properties:

- Must meet the environmental guidelines per 24 CFR Part 58.
- Must affirmatively further fair housing.
- Must be financially feasible (pass underwriting).
- Must meet HUD green building standards.
- Must meet HUD broadband requirements for new construction.



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Federal Requirements – Eligible properties:

- All properties must comply with applicable local and state housing quality standards and code requirements.
- Substantial rehabs, reconstruction and new construction must comply with FHA Design Manual and ADA 2010 (with exceptions).
- Minimal rehabilitation must comply with HUD Housing Quality Standards (HQS).
- Must comply with 24 CFR Section 570.605 (if located in flood plain).



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Federal Requirements – Wage and Labor:

- Davis Bacon and Related Acts:
 - General wage decisions and prevailing wage rates.
- Fair Labor Standards Act:
 - Establishes basic minimum wage rates and overtime for workers.
- Copeland (Anti-Kickback) Act:
 - Provisions prohibit the kickback of fees, wages, commissions, or granting of gifts such as an inducement of federal award.
- Contract Work Hours & Safety Standards Act (CWHSSA):
 - Applicable to construction contracts that are \$100,000 or more.



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Federal Requirements – Relocation:

- Any property involving displacement of residents while under construction is subject to the Uniform Relocation Act.
- Triggered by federally funded acquisition activities.



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State Requirements – Eligible Properties:

- Publicly or privately owned.
- Multifamily structures – 8 units or more.
- At a minimum, 51% of the units must target residents with income levels at 80% or less of the area median income.



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State Requirements: Eligible Costs

- Labor, materials and other rehabilitation/construction costs;
- Construction loan interest;
- Energy efficiency improvements;
- Utility connections;
- Correcting lead-based paint issues; and
- Accessibility improvements.



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State Requirements – Visitability:

- All single family structures constructed with federal funds by the GLO or its subrecipients must meet visitability requirements including:
 - No step entrance;
 - At least one 36” entrance door;
 - 32” interior doors, 36” hallways;
 - Grab bars in baths; and
 - Plugs and switches at approved heights.



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State Requirements – Application Submission:

- Threshold criteria:
 - Developed in accordance with the State Action Plan and Texas Housing Guidelines.
- Underwriting criteria:
 - Feasibility;
 - Cost reasonableness; and
 - Duplication of benefits analysis.
- Address previous participation and experience requirements.



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State Requirements – Application Submission:

- Threshold criteria: Properties undergoing rehabilitation or reconstruction must agree to one of the criteria while newly constructed properties must agree to two of the criteria.
 - High Opportunity Zones – Development is located entirely in a census tract that has a poverty rate of less than 20%.
 - Extremely Low-Income Targeting – Development provides at least 10% of units to families or individuals with incomes at 30% or less of the area median income (AMI)
 - Exceeding LMI Requirement – Development designates at least 70% of the units to serve low-moderate income families earning 80% or less of the AMFI as defined by HUD for the applicable affordability period.
 - Serving persons with Disabilities – Development will increase the number of accessible units beyond the minimum required by Section 504, the Fair Housing Accessibility Guidelines or other mandated minimums by an additional 10%.
 - Leveraging of Public and Private Financing – Development receives a total contribution of funding from other local, state, federal or private contributions of at least 25% of the total Housing Development Cost (as reflected in the Cost Schedule).



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Reporting Requirements:

- Monthly reports are required from the applicant to report progress and status of rental construction.
- Monthly progress reports are required from subrecipients to report unit rental activity status.



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Reporting Requirements – Compliance & Section 3:

- Quarterly reporting for LMI compliance while under construction;
- Yearly unit status reports required for long-term compliance;
- Property inspections required every 3 years; and
- Section 3 information.



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Reporting Requirements – Section 3 Plan:

The plan is used to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible and consistent with existing federal, state and local laws and regulations be directed to low- and very low-income persons.

The plan should particularly track those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.



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Reporting Requirements – Labor Standards:

- Appointment of Labor Standards Officer;
- Preconstruction conference;
- Notice to proceed (10-day call) authorizing construction start or continuations of construction; and
- Benchmarks tied to disbursements.



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Reporting Requirements – Compliance Monitoring and Income Eligibility Record Keeping:

- Types of files:
 - Program
 - Activity
 - Environmental Review Record
- Audit trail
- Records
 - All records must be retained for at least 3 years following contract closure (20-year affordability period).



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Income Limits – Aransas County

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
30	\$ 11,500	\$ 13,150	\$ 14,800	\$ 16,400	\$ 17,750	\$ 19,050	\$ 20,350	\$ 21,650
40	\$ 15,320	\$ 17,480	\$ 19,680	\$ 21,840	\$ 23,600	\$ 25,360	\$ 27,120	\$ 28,840
50	\$ 19,150	\$ 21,850	\$ 24,600	\$ 27,300	\$ 29,500	\$ 31,700	\$ 33,900	\$ 36,050
60	\$ 22,980	\$ 26,220	\$ 29,520	\$ 32,760	\$ 35,400	\$ 38,040	\$ 40,680	\$ 43,260
80	\$ 30,600	\$ 35,000	\$ 39,350	\$ 43,700	\$ 47,200	\$ 50,700	\$ 54,200	\$ 57,700



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Rent Limits – Aransas County

AMFI %	Number of Bedrooms							
	0	1	2	3	4	5		
30	\$287	\$308	\$370	\$426	\$476	\$525		
40	\$383	\$410	\$492	\$568	\$634	\$699		
Low	\$502	\$538	\$646	\$746	\$832	\$918		
High	\$622	\$722	\$833	\$997	\$1,093	\$1,187		



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Rent Limits – Where to Find

https://www.hudexchange.info/resource/reportmanagement/published/HOME_IncomeLmts_State_TX_2018.pdf

https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_TX_2018.pdf

Thank You

Jeff Crozier

Multifamily Manager

harveysupport@GLO.TEXAS.GOV

The Texas General Land Office

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