

## RESOLUTION

### BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the Policies and Procedures for implementing the Community Development Block Grant (CDBG) Program, Emergency Solutions Grant (ESG) Program, Housing Opportunities for Persons with AIDS (HOPWA) Program, HOME Investment Partnerships Program (HOME), HOME Investment Partnerships American Rescue Plan Program (HOME-ARP), and Homeless Housing and Services Program (HHSP) are approved and adopted, and that the Director of Community and Human Development be authorized to make amendments to the policies and grant exceptions to the policies and procedures provided such exceptions do not violate any federal regulations.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_ 2025.

### CITY OF EL PASO:

\_\_\_\_\_  
Renard U. Johnson  
Mayor

### ATTEST:

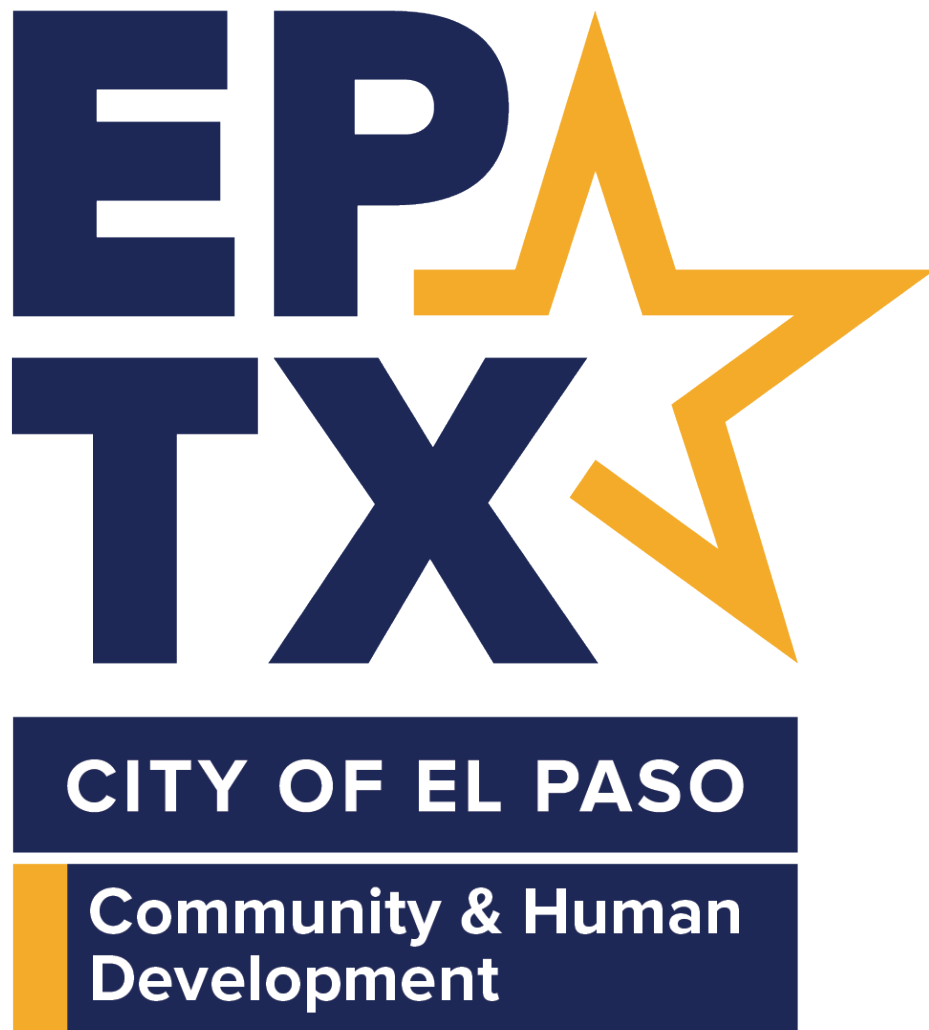
\_\_\_\_\_  
Laura D. Prine  
City Clerk

### APPROVED AS TO FORM:

*Russell T. Abeln*  
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Russell T. Abeln  
Senior Assistant City Attorney

### APPROVED AS TO CONTENT:

*Nickole H. Rodriguez*  
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Nickole H. Rodriguez, Director  
Community and Human Development



## **Policies + Procedures**

**For U.S. Department of Housing and Urban  
Development & Texas Department of Housing  
and Community Affairs Grants**

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# HUD Assurances & Attachments

## *Assurances*

**Assurance A** – Acceptance of Grant Conditions and Terms of CDBG, HOPWA, and ESG

**Assurance B** – Assurance of Applicant Eligibility for Non-Profit Organizations

**Assurance C** – Assurance of Compliance with Ordinance No. 9779

**Assurance D** – Accessibility / Letter of Assurance with Self-Evaluation

## *Attachments*

**Attachment A** – General Completeness Checklist

**Attachment B** – Tentative Schedule for Upcoming Program Year

**Attachment C** – HUD Income Limits for Upcoming Program Year

**Attachment D** – Citizen Participation Plan

**Attachment E** – Community Performance Standards

**Attachment F** – ESG Program Certification

**Attachment G** – ESG Written Standards Certification

**Attachment H** – Faith-Based Organization Guidelines

**Attachment I** – HMIS Policies & Procedures

**Attachment J** – Instructions to Obtain Certificate of Account Status

**Attachment K** – Instructions to Obtain SAM Record Status

**Attachment L** – Letter of Intent – CDBG Services, Economic Development, HOPWA + ESG, Volunteer Housing Rehabilitation

**Attachment M** – Project Concept Form – CDBG Public Facilities

**Attachment N** – Public Facilities Application

**Attachment O** – Volunteer Housing Rehabilitation

# Executive Summary

These policies and procedures govern the administration of federal and state funding streams received by the City of El Paso to support community development, housing, and homelessness initiatives. The Department of Community and Human Development (DCHD) is responsible for the planning, administration, and compliance oversight of these funds on behalf of the City of El Paso (City).

The City receives federal entitlement funding from the **U.S. Department of Housing and Urban Development (HUD)**, which includes:

- ❖ Community Development Block Grant (CDBG)
- ❖ Emergency Solutions Grant (ESG)
- ❖ Housing Opportunities for Persons with AIDS (HOPWA)
- ❖ HOME Investment Partnerships Program (HOME)

Additionally, the City receives Homeless, Housing, and Services Program (HHSP) funds from the **Texas Department of Housing and Community Affairs (TDHCA)** to support services and programs aimed at individuals and families experiencing or at risk of homelessness.

Funding for these programs becomes available on September 1 of the City's Fiscal Year, with programming expected to run through August 31 of the same year. Final entitlement allocations are subject to Congressional approval of the HUD budget and will be published on the Community Development webpage once available.

## Alignment with City Strategic Goals

The City of El Paso has prioritized the development of a vibrant regional economy, safe and beautiful neighborhoods, and exceptional recreational, cultural, and educational opportunities. These priorities are outlined in the 30 by 2030 Strategic Plan, which identifies specific goals, actions, and tasks to achieve the City's vision.

Projects, services, and programs funded through CDBG, ESG, HOPWA, HOME, and HHSP should support the following strategic goals:

- ❖ Cultivate an Environment Conducive to Strong Economic Development
- ❖ Set the Standard for a Safe and Secure City
- ❖ Promote the Visual Image of El Paso
- ❖ Enhance El Paso's Quality of Life through Recreational, Cultural, and Educational Environments
- ❖ Promote Transparent and Consistent Communication Amongst all Members of the Community
- ❖ Set the Standard for Sound Governance and Fiscal Management
- ❖ Enhance and Sustain El Paso's Infrastructure Network

- ❖ Nurture and Promote a Healthy, Sustainable Community

Specifically, funding priorities align with:

- ❖ **Strategic Objective 22** – Support affordable, high-quality housing options, especially for vulnerable populations
- ❖ **Strategic Objective 30** – Develop solutions to increase access and services for El Pasoans experiencing or at risk of homelessness.

## Application Eligibility & Requirements

Applicants seeking funding through these programs must first confirm eligibility under federal and state requirements. Additionally, proposals should demonstrate alignment with the City of El Paso's Strategic Goals and Objectives to ensure that funded projects contribute to the city's long-term development priorities. More details on the City's Strategic Plan can be found at:

<https://www.elpasotexas.gov/government/strategic-planning>.

### *Definitions*

- ❖ **Agency Credit Score** – A general score given to an agency for performance on past grants
- ❖ **At Risk of Homelessness** – A person or family who is very close to losing their home but hasn't become homeless yet
- ❖ **Cash Match** – Money an organization must provide (from non-ESG sources) to help fund ESG activities.
- ❖ **Chronically Homeless** – A person with a disability who has been homeless for at least a year or repeatedly over time.
- ❖ **Comparable Database** – A system used by domestic violence service providers instead of HMIS to keep client information confidential.
- ❖ **Conflict of Interest** – A situation where someone involved in the ESG program could personally benefit from funding decisions.
- ❖ **Emergency Shelter** – A temporary place for people experiencing homelessness to stay, often providing basic services like food and case management.
- ❖ **Entitlement Grants** – are annual grants that are provided on a formula basis to eligible cities and counties. Department of Community and Human Development
- ❖ **Government Entity** – any branch, department, agency, or instrumentality of state government, or any official or other person acting under the color of state law (e.g., school districts, public housing authority).

- ❖ **Rapid Re-Housing (RRH)** – Short-term financial help and case management to quickly move people from homelessness into permanent housing.
- ❖ **Recipient** – the City of El Paso DCHD, which receives funds directly from HUD through an executed grant agreement.
- ❖ **Subrecipient Agency** – an agency that receives funding from the Recipient (DCHD) and provides direct client services.

### *DCHD Funding Administration and Multi-Year Funding Cycles*

DCHD of the City of El Paso acts as the grantee for funding received from both HUD and TDHCA. DCHD is responsible for administering the allocation of funds to subrecipients and ensuring compliance with federal, state, and local regulations, as well as the policies and procedures outlined in this document.

Funding allocations are projections and may be modified at the discretion of the Director of DCHD, provided that such modifications do not represent a significant change in allocation priorities or distribution methods. Additionally, the Director of DCHD may grant exceptions to policies and procedures contained in this document, as long as those exceptions comply with all applicable federal, state, and local regulations. For HHSP funding, any exceptions must be granted prior to the presentation of the funding recommendation to the City Council.

### *Transition Multi-Year Funding Cycles*

To improve long-term planning and resource allocation, DCHD is transitioning all funding cycles to multi-year models for Public Services, Public Facilities, and Homelessness Programs: Public Facilities projects moved to a 3-year funding cycle in FY 2024, allowing for phased funding and better alignment with HUD expenditure requirements.

Public Services programs will transition to a 3-year model beginning in FY 2027, with an initial year of funding, followed by mid-year and end-of-year performance and spending reviews.

HHSP funds will operate on a 2-year funding cycle, covering FY 2025 and FY 2026. Funding will be renewed for FY 2026 only if the program demonstrates satisfactory performance and spending rates at the end of FY 2025.

Programs that do not meet objectives or fail to maintain a healthy spending rate may lose funding after the first year. This ensures that funding is allocated to effective, accountable initiatives that align with community needs and strategic goals. For HUD and TDHCA-funded programs, continued funding is contingent on awards from the funder and the program's ability to meet performance benchmarks. This structured approach enhances financial oversight, strategic alignment, and program effectiveness, ensuring that resources are used efficiently and equitably to serve the El Paso community.

## Community Development Block Grant (CDBG)

The primary objective of the CDBG Program is the development of viable urban communities, including decent housing, suitable living environments, and the expansion of economic opportunities, principally

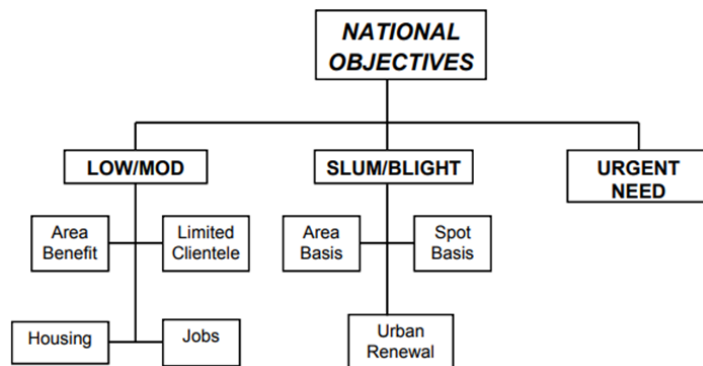
for persons of low and moderate income. The following sections explain the services, programs, and projects that are funded through CDBG.

## *HUD National Objectives*

The authorizing statute of the CDBG program requires that every funded activity, except for program administration and planning activities, meet one of three national objectives. The three national objectives are:

- ❖ Benefit to low- and moderate-income (LMI) persons;
- ❖ Aid in the prevention or elimination of slums or blight; and
- ❖ Meet a need having a particular urgency (referred to as an urgent need).

To comply with CDBG requirements, all activities must meet a national objective. The following exhibit depicts the different categories associated with each of the national objectives.



- ❖ The LMI national objective is often referred to as the “primary” national objective because the statute requires that recipients expend 70 percent of their CDBG funds to benefit LMI persons. Below are the four categories that can be used to meet the LMI national objective:
- ❖ **Low Mod Area Benefit (LMA)** - The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity benefits all residents in a particular area where at least 51 percent of the residents are LMI persons.
- ❖ **Low Mod Limited Clientele (LMC)** - The limited clientele category is a second way to qualify specific activities under the LMI benefit national objective. Under this category, 51 percent of the beneficiaries of an activity have to be LMI persons. To qualify under this category, the activity must do one of the following:
  - Benefit a clientele that is generally presumed to be principally LMI. This presumption covers abused children, battered spouses, elderly persons, severely disabled adults (see the box below), homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
  - Require documentation on family size and income in order to show that at least 51 percent of the clientele are LMI; or



- Have income eligibility requirements limiting the activity to LMI persons only; or
- In extremely rare circumstances, DCHD may consider that the service provided is of such a nature and in such a location that it can be concluded that clients are primarily LMI. An example is a daycare center that is designed to serve residents of a public housing complex.
- ❖ **Low Mod Housing Activities (LMH)** - The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households.
- ❖ **Low Mod Job Creation or Retention Activities (LMJ)** - The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

DCHD utilizes HUD's Income Limits that are provided on an annual basis to determine if a person or household is of low to moderate income. To determine qualification, refer to Attachment C for the most current HUD income limits summary.

The focus of activities under the elimination of Slums and Blight national objective is a change in the physical environment of a deteriorating area. This contrasts with the LMI benefit national objective, where the goal is to ensure that funded activities benefit LMI persons. Three categories are used to qualify activities under this national objective:

- ❖ **Slum Blight Area Basis (SBA)** - This category covers activities that aid in the prevention or elimination of slums or blight in a designated area. To qualify under this category, the area in which the activity occurs must be designated as slum or blighted. Documentation must be maintained by the grantee on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications.
- ❖ **Slum Blight Spot Basis (SBS)** - These activities eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area. Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

Use of the Urgent Need national objective category is rare. It is designed only for activities that alleviate emergency conditions. Urgent Need qualified activities must meet the following criteria: the existing conditions must pose a serious and immediate threat to the health or welfare of the community; the existing conditions are of recent origin or recently became urgent (generally, within the past 18 months); the grantee is unable to finance the activity on its own; and other sources of funding are not available.

*Refer to HUD's 24 CFR Part 570.208 for further information on the criteria for national objectives.*

## ***Public Services***

The Public Services category of CDBG is intended to maximize outcomes in our community based on the identified needs of vulnerable populations. Public Service programs aim to respond to emerging community needs and/or expand services for an existing need as well as attempt to align and enhance other CDBG and locally funded activities. Periodically, DCHD will conduct a community needs assessment (CNA), which will determine priority needs and gaps to which Public Service funds will be available for applicants. A comprehensive CNA will be conducted every three years, and a small-scale assessment will be conducted on an annual basis. Should a crisis arise, the DCHD Director may determine that a comprehensive CNA be conducted. The CNA will be published annually on the DCHD website.

DCHD solicits funding proposals from interested public and non-profit entities for the use of CDBG funds for Public Service programs. Federal regulations stipulate that a maximum of 15% of the annual CDBG funding may be allocated to Public Services.

### **CDBG Public Service - Innovative Program Incubator**

The Innovative Program Incubator category is designed to give funding opportunities for innovative, promising programs. The purpose of this category is to create new initiatives and program structures that can prove to be best practices throughout the public service community. Programs applying for incubator funding will be required to provide projected performance outcomes inclusive of key performance indicators. Metrics should be illustrative of community impact indicated by improvement from baseline conditions. Alignment with priorities identified through the Community Needs Assessment, as well as alignment with the City of El Paso Consolidated Plan, City Strategic Plan, and/or City Resilience Strategy, is required.

The Innovative Program Incubator is funded as a \$100,000 program set aside for a single program. However, DCHD may redistribute partial or whole funding of this set-aside to one or more CDBG Public Services categories if the Department does not receive an application for an incubator program that is responsive to the objective of the set-aside. Incubator grant projects do not have to fall within the designated Service Categories, but they must meet DCHD Public Services guidelines. While both new and existing agencies can apply, the program itself must be new and must not have received funding in any previous CDBG funding cycle.

### **CDBG Project Eligibility & Performance**

#### **Types of Eligible Service Programs:**

Projects must provide direct services to clients who qualify under HUD income guidelines and who reside within the limits of the City of El Paso. Funded agencies will be required to verify each client's residence and eligibility. HUD has determined that the following populations meet income guidelines and are presumed eligible:

- ❖ Elderly persons (aged 62 and older)
- ❖ Severely disabled adults
- ❖ Homeless persons
- ❖ Abused children, battered spouses
- ❖ Persons living with AIDS
- ❖ Migrant farm workers
- ❖ Illiterate adults

#### **Other Project Compliance & Implementation Requirements**

- ❖ **Agency Strategic Planning** - Applicant agencies must submit along with their application, the agency's most recently approved mid to long-term strategic plan and/or sustainability plan as well as their current annual plan.
- ❖ **Budget Revisions** - Budget revisions may be requested among existing budget line items. All budget revisions occurring within the contract period may not exceed 20% of the total award without the approval of the DCHD Director or their designee. Only budget modifications/revisions that result in a significant change of scope, performance measures, or outcomes require a contract amendment.
- ❖ **Emergency Shelter Funding** - Agencies may apply specifically for "Emergency Shelter" component funding from both the Emergency Solutions Grant and the Community Development Block Grant. Funding may be awarded from multiple entitlement grants, such as CDBG or ESG, but they are not exclusive.
- ❖ **Financial Capacity** - CDBG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate the financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement. Applicants will be required to provide verification of three months of capital for the sustainability of their public service program.
- ❖ **Funding Request** - The Minimum funding request by applicant for any project must be \$100,000.
- ❖ **Income Verification** - Subrecipient must verify, through use of a DCHD-issued or approved Income Eligibility Form, the client income to confirm CDBG eligibility for clients receiving services.
- ❖ **Multiple sites** - The Applicant must complete an Activity/Partner Supplement if their program provides services in more than one location. The Activity/Partner Supplement must be completed for each site. A budget must be produced for each site if any non-shared resources are being requested, and the budgets for the combined sites or activities must align with the budget for the overall project. If the applicant's program consists wholly of shared resources, then only one budget for the overall project must be completed. An example of a non-shared

resource is supplies that will be used at each separate site; an example of a shared resource is an instructor who travels to different sites to offer classes

- ❖ **Partnerships** - Applicants must state in their application if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the CDBG application when it is submitted to DCHD.
  - If any portion of the project will be carried out by a partner, contractor, consultant, or other third party, the Activity/Partner Supplement of the application must be completed, reflecting the role of the partner. This supplement will be provided as a module within the application.
- ❖ **Program Scope + Eligibility** - Applicants may submit more than one proposal that offers different services within a single service category or in more than one service category. However, the proposal cannot provide the same services as another proposal or provide services to clients during the same period that they are being served by another City-funded project. Each proposed project must be clearly defined and easily differentiated from the others. Proposals cannot be dependent or subsidiary to another proposal.
- ❖ **Staff Hours** - The City will only reimburse applicants for staff hours that are spent on direct services funded by CDBG to eligible clients.
- ❖ **Subsidiary Projects** - Projects that are dependent or subsidiary to one another should be submitted as a single project.

## **Performance Goals**

Applicants must have the capability to track their project outcome(s), performance measures and units of service over time and report on results if the project/activity is eventually funded. Funded projects will have a contractual obligation to meet projected outcomes, performance measures, and units of service. Failure to meet these obligations, to include units of service and/or clients served, may result in a temporary or permanent hold on reimbursement, and affect their Agency Credit Score. Further technical assistance on this subject will be provided to funded agencies upon request.

## ***Public Facilities***

Public facilities improvements are generally interpreted to include all facilities and improvements that are publicly owned or that are owned by a non-profit and open to the general public. CDBG Public Facilities funding must be used to service or benefit LMI persons, including those populations who are generally presumed to be LMI.

DCHD solicits funding proposals from interested City departments, non-municipal government entities, and non-profit agencies for the use of CDBG funds for public facilities improvements within the city limits of El Paso. The minimum funding amount for a Public Facilities project is \$1,000,000, though lower-budget projects may be made eligible at the discretion of the Director of DCHD to maximize community impact and ensure timely expenditure of HUD funds.

All Public Facilities applicants whose Attachment N Project Concept Form is determined eligible and feasible are required to schedule a site visit with DCHD staff prior to the application deadline in order to discuss project scope.

### **3-Year Community Vulnerability Capital Improvement Plan**

As mentioned in the Public Services section of this document, DCHD performs a Community Needs Assessment (CNA) in the fall of each year to determine priority categories of public services. The CNA includes priority needs for facilities once every three (3) years, starting with the 2022 CNA.

Recommendations for Public Facilities projects represent a 3-year allocation plan including the projects to be wholly or partially funded under the first year's HUD allocation, as well as the projected funding for projects in the second and third years of the Public Facilities funding cycle. This 3-year funding cycle allows for multi-year, phased funding for design and construction activities of approved projects that significantly aid in the City's ability to meet HUD's timely expenditure requirements.

At or around the time that DCHD presents final funding recommendations to City Council for the 3-year Public Facilities allocation plan, a waiting list of projects may also be presented for Council approval. Projects on the waiting list may be included in an Annual Action Plan and may be funded should any approved project(s) be delayed, cancelled, or completed under budget, thus allowing for additional projects to be funded.

Multi-year projects will be contracted through one (1) subrecipient agreement unless otherwise approved by DCHD. While funding for any one project may be planned for multiple years, the award of any subgrant amount is contingent on the City receiving the annual allocation of funds from HUD. The Subrecipient is obligated to uphold the projected spending schedule submitted after the execution of the subrecipient agreement. The subrecipient is obligated to accept, execute, and uphold the Notice to Proceed (NTP) included with the subrecipient agreement. All projects and phases of projects are expected to be completed within the contracted time period. Failure to comply with all agreement stipulations, including but not limited to timely expenditure of funds, may result in a reduction of funding, recapture of funding, or termination of the contract for cause.

The next Public Facility planning process is expected to take place in the FY26 Annual Action Plan planning process and every three (3) years thereafter.

### **Project Eligibility & Performance**

#### **Types of Eligible Facilities Projects:**

Projects must qualify under a HUD National Objective and be within the limits of the City of El Paso.

- ❖ Examples of eligible projects include but are not limited to: new construction; rehabilitation improvements; reconstruction and removal of architectural barriers; and design features and improvements which promote energy efficiency and distributed generation technologies.

- ❖ Examples of ineligible activities include but are not limited to: acquisition of real property (land and/or buildings), rehabilitation or new construction of fire stations or the purchase of fire equipment, regular maintenance and repair of public facilities and improvements (e.g., filling potholes, repairing cracks in sidewalks, mowing grass at public recreational areas or replacing street light bulbs), and operating costs associated with public facilities or improvements.

DCHD accepts applications for public facilities improvements from three groups – City departments, non-municipal government entities and non-profit agencies.

The following sections explain the requirements that are unique to the applicant groups. Each applicant must adhere to these requirements in addition to all general project eligibility and compliance standards. Note that all applications must meet one of HUD’s national objectives, and all applicants must attend a mandatory workshop as described in the Mandatory Workshop Training section of this document.

### **Municipally Owned Projects**

Municipally owned projects are those that belong to the City of El Paso and whose applicants are City departments. All City departments are eligible to apply for CDBG funding.

- ❖ **Availability of Operating Funds for New Construction or Expansion Projects** - For projects involving new or expanded public facilities, if additional staff or additional operation and maintenance (O&M) funds will be required, applicants must submit a written commitment from the appropriate City officials (i.e., Department Director, Director of OMB, and Deputy City Manager) that additional O&M funds for the facility will be available once the project is completed. At minimum the additional O&M funds must be available for 5-years after project completion.
- ❖ **Other Funding Sources** - If other funding sources (i.e. grant monies, General Revenue funding, etc.) will be used for the project, the City department must submit written documentation to verify that the funding is committed and available.
- ❖ **Project Scope of Work + Cost Estimates** - City Departments are required to submit with their application a cost estimate that has been reviewed and/or prepared by the Capital Improvement Department (CID). The City Department must ensure that the cost estimate correctly reflects the project’s scope of work. It is highly recommended that the City Department and CID staff developing and approving the estimate make a site visit to the proposed location to determine current conditions. DCHD will not recommend additional funds for unforeseen site conditions that reasonably could have been identified during an initial site visit.
- ❖ **Required Cash Match** - Applicants are required to provide at the start of the project a minimum of 10% of the total project cost from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.
  - City departments are eligible to request in writing from the DCHD Director a waiver for the required cash match, however, a matching contribution will be a factor when evaluating each project.

## Non-Municipal Governmental Entities & Non-Profit Organizations

Other branches, departments or agencies of government and local non-profit organizations can apply for CDBG funding for public facility improvements. Examples of such non-municipal government entities include local school districts and the public housing authority.

- ❖ **Collateral** - Applicant must be able to secure the CDBG funding by providing project collateral. Collateral must be at minimum equal to the amount of CDBG funding that is being awarded, and must be secured at minimum for the duration of construction. Collateral is usually provided through one of the following forms: (1) a letter of credit; (2) a promissory note that is secured by a deed of trust; or (3) an escrow account. If an applicant is unable to secure the loan through any one of these three methods, an alternative option must be provided. Applicant must submit choice of collateral with Attachment M Project Concept Form, which will be reviewed by DCHD staff for viability and approval.
  - If awarded, subrecipients must ensure they are following all stipulations within the written Agreement for the term of the Agreement. In events of default or breach, subrecipients will be responsible for repaying the City in an amount no less than the awarded amount.
- ❖ **Leased Property** – Project proposals that include leased property will be considered on a case to case basis. For consideration, the applicant must provide the following documents with Attachment M Project Concept Form: 1) the terms of the lease agreement inclusive of the property being leased for at minimum 5-years after project completion, and 2) approved documentation certifying that the lessor has acknowledged and approves of the CDBG-funded facilities improvements.
- ❖ **Owned Property** - If applicant owns the property that is being improved, the Deed of Trust for the property that is being improved must be attached to the application.
- ❖ **Project Scope of Work and Cost Estimate** - All public facility projects involving rehabilitation or new construction will be required to be estimated and designed by an architect or engineer licensed in the State of Texas. The project cost estimate (not the cover letter) must be stamped with the official seal of the architect or engineer licensed in the State of Texas.
  - If a funded agency chooses, for project implementation purposes, to use the same design consultant who prepared the cost estimate as a part of their application, the applicant should ensure that all applicable federal, state and local procurement rules were followed when the design/engineering services were initially acquired.
- ❖ **Property Appraisal** - A current appraisal value of property in the form of a Market Analysis, Certified Audit Report or a Report from the El Paso Central Appraisal District (EPCAD) must be submitted with the application.
- ❖ **Required Cash Match** - Applicants are expected to provide at the start of the project a minimum of 10% of the total project cost from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.

- ❖ **Schedule A** - Applicants will be required to complete Schedule A as a part of their application packet. Schedule A defines the budget line items associated with the soft costs for a construction project. This document must be attached to the public facilities application at the time of submittal.
- ❖ **Task Schedule** - Applicants must provide a preliminary schedule of tasks involved in carrying out the proposed project that indicates the proposed project will be completed within 365 calendar days of Agreement execution. All projects and phases of projects are expected to be completed within the contracted time period. Failure to comply with all agreement stipulations, may result in reduction of funding, recapture of funding, or termination of contract for cause. In the event of revocation of funding, the applicant agrees and acknowledges that the applicant will not be entitled to any costs or damages from the City.

### **Financial Terms**

The City of El Paso provides gap financing. Applicants must explore all possible outside funding sources such as other federal, state, local funding or a combination of these and other resources prior to applying to the City of El Paso for gap financing. Based on the application and funds leveraged, the City of El Paso maintains the discretion to approve, modify, or reject the financing terms proposed by the applicant.

- ❖ **Direct Loan** - a loan to be paid back in cash in accordance with a specified payment schedule.
- ❖ **Forgivable Loan** - a loan that is paid back by fulfilling the terms of the Forgivable Loan Agreement, which generally involves operating the facility, in full compliance with the Agreement, for its stated purpose for a specified period of time. The term of a Forgivable Loan will be at least 5 years after project completion.
- ❖ A combination of a Direct Loan and a Forgivable Loan

Additionally, applicant agencies whose projects produce income may be asked to repay a portion of the funding to the City of El Paso based upon a financial analysis of the project.

### **Other Project Compliance & Supporting Documentation**

- ❖ **Building Codes** - Applicant must comply with all applicable City Housing, Building and Zoning Codes.
- ❖ **Buy America Build America** - For agreements at or above \$250,000.00, applicants must comply with Buy America Build America Act (BABA) as stipulated in Division G, Title IX of the Infrastructure Investment and Jobs Act (IIJA) to ensure all iron, steel, and manufactured products used in the project are produced in the United States.
- ❖ **Community Support** - It is highly recommended that applicants submit documentation corroborating community support for projects, such as a petition signed by persons who would benefit from the improvement. Demonstration of community outreach such as meetings or a town hall style forum demonstrate an even higher level of engagement because they include the opportunity for citizen feedback.



- ❖ **Encroachment** - For street improvement projects involving encroachment issues, a written plan describing how the applicant intends to address the encroachment issues with the affected property owners, preferably including proof of correspondence with the said property owners indicating their willingness and cooperation in addressing the street improvements as it pertains to their property or properties.
- ❖ **Environmental Review** - Applicants must not commit funds, HUD dollars or otherwise, to choose-limiting actions prior to environmental clearance. DCHD Compliance Staff must evaluate the viability of projects based on environmental factors, including whether or not the project is located in a flood zone. The environmental review may determine whether a project is funded, or may indicate that project modifications or alternatives are needed.
  - For projects that are located in a floodplain, applicant will need to identify and evaluate if there is (1) no project alternative, (2) a non-flood plain project alternative, and/or (3) a floodplain proposal.
  - Lead Clearance and Asbestos Survey - Based on the age of the facility, a lead clearance and/or asbestos survey may be required. If either has already been completed, please submit with the application.
- ❖ **LMC Data Tracking Verification** - Prior to recommending a project for funding that will meet the LMI National Objective via LMC, DCHD will review the data collection, storage and tracking systems of the applicant agency to ensure that systems are in place to achieve compliance with LMC reporting requirements. Public facility projects that meet HUD National Objectives under LMC must operate for 90 days and show compliance with LMC documentation requirements before final progress payment and developer fees (if applicable) are approved by the City and paid out to the subrecipient or contractor.
- ❖ **Purchase of Equipment** - The purchase with CDBG funds of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not an integral structural fixture is generally ineligible.
- ❖ **Section 3** - Projects that exceed \$200,000 on construction costs shall direct, to the greatest extent feasible, employment and economic opportunities to low and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons. If awarded funding for a Public Facilities project that meets this threshold, the subrecipient will be required to procure a prime construction contractor who will make best efforts to meet HUD's benchmarks for Section 3 projects; and the subrecipient, in collaboration with the prime contractor, will be responsible for completing HUD's 60002 form to document these efforts. Refer to HUD's 24 CFR Part 75 for further information on economic opportunities for low and very low-income persons.
- ❖ **Sustainability Considerations** - Applicants will be expected to incorporate sustainable building technologies, standards and/or practices, such as those in the Leadership Energy and

Environmental Design (LEED) Building rating system, or similar (Energy Star, Green Globes), if possible. Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) must follow Energy Star ([www.energystar.gov](http://www.energystar.gov)) standards.

- ❖ **Use by Public** - Applicant must agree to open the public facility for use by the general public during all normal hours of operation upon completion of the public facility improvement project, if funding is approved. Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which have the effect of precluding low- and moderate-income persons from using the facilities, are not permitted.
- ❖ **Wage Rates** - The federal government requires the payment of prevailing wages for all construction contracts that have federal funding that exceeds \$2,000, which includes federal, state and local public works projects. Projects will be monitored by the City of El Paso's Capital Improvement Department to ensure that the general contractor and subcontractors adhere to this requirement.

### **Volunteer Housing Rehabilitation**

DCHD has set-aside funding to support a Volunteer Housing Rehabilitation program. Approximately \$200,000 will be set aside for this program.

#### **Objectives**

DCHD funds may be used to make basic and necessary repairs, rejuvenate and/or rehabilitate the homes of low-income elderly and/or disabled homeowners located Citywide. Funds may be used for staff hours that are spent on direct services that are funded and eligible under this category, and may be used to pay for required licensed electricians, plumbers or other required skilled or licensed labor. No costs may be charged to the eligible low-income elderly and/or disabled homeowners. Note that this program is not designed for homes needing major rehabilitation.

Rehabilitation should provide adequate shelter and promote independence and accessibility to persons considered "severely" disabled adults, which meet the Individuals with Disability provision in the Federal Register (November 9, 1995). Priority for service will be based on income, age/disability and funds available to complete the designated scope of work. Qualified applicants must complete all required forms.

The program should utilize every dollar possible for the benefit of the eligible homeowner; however, a small portion of the CDBG funds may be used for administrative costs, insurance, and food/drink items for volunteers and the family present at worksites.

The goal of this program is to maintain the City of El Paso's housing stock while providing a safer, accessible, clean home to allow the existing eligible elderly and/or disabled homeowner to remain in his/her home as long as their health permits thus delaying the need to place the homeowner(s) in alternative housing.

## **Types of Eligible Improvements**

The objective of the Volunteer Housing Rehabilitation Program is to increase availability and accessibility of decent housing for low-income elderly and/or disabled homeowners within the City of El Paso city limits. Repair, safety and health issues are to be addressed.

### **Eligible activities include but are not limited to:**

- ❖ Repair or replace:
- ❖ Air conditioner
- ❖ Furnace
- ❖ Stove
- ❖ Refrigerator
- ❖ Windows
- ❖ Plumbing
- ❖ Repair stairs and walkways
- ❖ Scraping and patching walls
- ❖ Caulking bathtubs and showers
- ❖ Interior and exterior painting
- ❖ Clean overgrown yards, remove trash and accumulated debris
- ❖ Remove mold caused by roof leaks
- ❖ Replace or repair roofs
- ❖ Replace ceiling tile due to water leaks
- ❖ Remove and/or replace torn carpeting and broken tile that is hazardous
- ❖ Install grab bars and ramps
- ❖ Install ADA approved toilet
- ❖ Shower renovations
- ❖ Repair or replace door and/or door locks

### **Ineligible activities include but are not limited to:**

- ❖ Used for the general conduct of government
- ❖ General government expenses

- ❖ Political activities
- ❖ Purchase of equipment
- ❖ Operating and maintenance expenses
- ❖ New housing construction
- ❖ Income payments

*For a complete list of eligible activities, refer to 24 CFR 570.201 - 5070.206. For ineligible activities refer to 24 CFR 570.207.*

### **Other Project Compliance & Implementation Requirements**

- ❖ **Eligibility** - Documentation must be maintained indicating that the owner of the property that is being rehabilitated is CDBG eligible under the LMI national objective.
- ❖ **Environmental Review Procedures** - Before improvements can be made on applicant housing for Volunteer Rehabilitation all property must be submitted for an environmental review request and approved by DCHD Compliance team. Refer to 24 CFR Part 58.
- ❖ **Maximum Value of Rehabilitation** - The total value of improvements at one location (i.e., home) cannot exceed \$4,999.
- ❖ **Mobile Home Improvements** - Funding cannot be used to improve mobile homes, regardless if the value of the home or property is more than the maximum value of the rehabilitation.
- ❖ **Other Funding Sources** - Applicants applying for Volunteer Rehabilitation Housing Program are not limited to the amount of CDBG funding they may request. If other funding is available, evidence of the funding source(s) must be present with the CDBG application.
- ❖ **Presumed Benefit** - The homeowner, meaning the person who holds the real estate title that indicates that they are the rightful owner of the property being improved, is the person who must meet the presumed benefit qualification.
- ❖ **Sustainability Considerations** - Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) must follow Energy Star ([www.energystar.gov](http://www.energystar.gov)) standards.

### **Performance Goals**

Subrecipients must have the capability to track their project outcome(s) over time and report on results. Subrecipients will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, including but not limited to number of clients served, may result in a hold on reimbursement and/or may negatively impact the applicant's and affect their Agency Credit Score and future application submission.

# Housing Opportunities for Persons with Aids (HOPWA)

DCHD receives funding for the HOPWA program, which provides housing assistance and supportive services for low-income individuals living with HIV/AIDS and their families. As the only federal program dedicated to addressing the housing needs of people with HIV/AIDS, HOPWA ensures stable housing and access to essential services. While housing assistance is limited to residents within the City of El Paso, case management and supportive services can be provided countywide, ensuring broader access to critical resources for individuals in need.

## Project Eligibility & Performance

HOPWA funds may be used to assist in all forms of housing designed to prevent homelessness including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences. All HOPWA subsidized housing must be located within El Paso County. Supportive services must be provided as part of any HOPWA assisted housing activities. However, HOPWA funds may also be used to provide supportive services independently of HOPWA housing activities. The following activities can be carried out with HOPWA funds:

- ❖ Housing information services including, but not limited to, counseling, information, and referral services to assist an eligible person to locate, acquire, finance and maintain housing. This may also include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or disability.
- ❖ Resource identification to establish, coordinate and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives).
- ❖ Project- or tenant-based rental assistance including assistance for shared housing arrangements
- ❖ Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling, up to 21 days.
- ❖ Supportive services that include, but are not limited to, assessment and case management, drug and alcohol abuse counseling and treatment, mental health, day care, personal assistance, nutritional services, intensive care (when required), and assistance on other Federal/State/Local benefits and services.
- ❖ Permanent Housing Placement (PHP) helps eligible individuals and families find safe and affordable housing, with the goal of establishing permanent residency. What PHP provides Housing assistance. PHP can help with application fees, first and last month's rent, and security deposits.

## Other Project Compliance & Implementation Requirements

**HOPWA and HIPAA Compliance** - Agencies administering HOPWA funds must comply with the Health Insurance Portability and Accountability Act (HIPAA) to protect the confidentiality and privacy of individuals living with HIV/AIDS. Since HOPWA services are directly tied to a person's HIV status, agencies must handle all client information with strict confidentiality to prevent unauthorized disclosure and protect clients from stigma and discrimination.

**Non-Match Funding Stream.** HOPWA funds cannot be used to match other federal grants or loans.

### **Persons Served**

**Eligibility** - Documentation must be maintained indicating that the assisted person is HIV positive or has a diagnosis of AIDS, as determined by a health professional competent to make such a determination. Sufficient determinations include documentation resulting from appropriate HIV tests administered by a physician's office, HIV counseling center or community health center. Documentation must also confirm that the eligible person and his/her family have a low income.

Applicant must provide services to HOPWA eligible persons and their families.

- ❖ An eligible person is defined as a person with acquired immunodeficiency syndrome or a related disease who is low-income and the family of such a person.
- ❖ The term acquired immunodeficiency syndrome and related diseases means the disease of acquired immunodeficiency syndrome and any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
- ❖ A low-income individual is a person with household income that is at 80% of the median income or less. HUD income guidelines are issued annually.

**Partnerships** - Applicants must state in their Letter of Intent if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full HOPWA application when it is submitted to DCHD.

- ❖ The partnership must identify the fiscal agent who will be the main applicant for the project.
- ❖ If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.

**Sub-recipient** - More than one agency/organization may be awarded the HOPWA grant.

**Supportive Services** - Applicants must demonstrate that supportive services will be made available to the HOPWA client(s) occupying or benefiting from the housing project. Letters of support from a minimum of two (2) or more service providers, who will make available the supportive services, need to be included with the application. The type of supportive services to be provided needs to be identified, and whether or not the client will be charged service fees.

### **Performance Goals**

Subrecipients must have the capability to track their project outcome(s) over time and report on results. Subrecipients will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, including but not limited to number of clients served, may result in a hold on reimbursement and/or may negatively impact the applicant's and affect their Agency Credit Score and future application submission.

## Emergency Solutions Grant (ESG)

Emergency Solutions Grant (ESG) funds street outreach, emergency shelter, homelessness prevention and rapid re-housing and Homeless Management Information System (HMIS) and administration. The purpose of the ESG program is to assist individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The ESG program is governed by federal laws and regulations including the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act (42 U.S.C. §11302 et. seq.) as amended; the HUD regulations codified in 24 Code of Federal Regulations (CFR) Part 576; 24 CFR Part 58, for environmental requirements; 2 CFR Part 200 for Uniform Administrative Requirements; 24 CFR §135.38 for Section 3 requirements; and 24 CFR Part 5, Subpart A for fair housing (collectively, the Federal Rules and Regulations).

### Funding Allocation

The City understands the importance of an effective crisis response system that makes homelessness rare, brief, and non-recurring. Given the current need to relieve pressure on El Paso's emergency shelters, support for homelessness prevention and rapid rehousing activities is a priority.

HUD limits the amount of ESG funding for Emergency Shelter and Street Outreach to 60% of the total allocation. Therefore, the final funding distribution between components will be determined based on data-informed community needs at the time of application review. The following allocations are preliminary projections and may be adjusted based on CFR regulations, funding requests, and demonstrated community needs:

Allocation	Eligible Activities
25%	Street Outreach
15%	Emergency Shelter
20%	Homelessness Prevention
26%	Rapid Re-Housing
7% (Set Aside)	Homeless Management Information System (HMIS)
7%	City of El Paso - Administration

These projected distributions are subject to change based on community needs and applications received to ensure that ESG funds are allocated effectively and in compliance with HUD regulations.

### Eligible Activities

**Street Outreach Component** – Eligible street outreach costs include: costs of providing essential services necessary to reach out to unsheltered homeless people, connect them with emergency shelter, housing,

or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility, as further identified in 24 CFR 576.101. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraphs (1)(i) of the "homeless" definition under 24 CFR 576.2.

**Emergency Shelter Component** – Eligible emergency shelter costs include: costs of operating emergency shelters, providing essential services to homeless families and individuals. Providing case management; cost of assessing arranging, coordinating and monitoring individualized services. Component services and activities consist of: The use of coordinated entry system, conducting initial evaluations, verifying eligibility, counseling, developing securing and coordinating services and obtaining federal, state and local benefits monitoring and evaluating participant progress, providing information and referrals to other providers, providing ongoing risk assessment for victims of domestic violence, developing an individualized housing service plan, including planning a path to permanent housing stability, as identified in 24 CFR 576.102

**Homelessness Prevention Component – Rental Assistance**

**Eligible rental assistance includes:**

- ❖ Short-term rental assistance (up to 3 months)
- ❖ Medium-term rental assistance (more than 3 months and up to 12 months)
- ❖ One-time payment for up to 6 months of rent in arrears, to include late fees.

**Eligible costs include:** rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), and moving costs (including storage costs up to 3 months). Applicants must re-evaluate the program participant's eligibility, type and amounts of assistance, and program participants needs no less than every three (3) months.

**Homelessness Prevention Component – Housing Relocation and Stabilization Services**

**Eligible services include:**

- ❖ Housing search and placement;
- ❖ Housing stability case management mediation;
- ❖ Legal services; and
- ❖ Credit Repair

**Eligible case management services include:**

- ❖ coordinated entry assessments
- ❖ initial evaluation, counseling



- ❖ coordinating services

*for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).*

#### **Rapid Re-Housing Component – Rental Assistance**

##### **Eligible rental assistance includes:**

- ❖ Short-term rental assistance (up to 3 months)
- ❖ Medium-term rental assistance (more than 3 months and up to 12 months)
- ❖ One-time payment for up to 6 months of rent in arrears, to include late fees

**Eligible costs include:** rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). The 12 months may include a one-time payment for up to 6 months of rent arrears on the tenant's portion of the rent. The rent amount must not exceed HUD's published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between the tenant and landlord. Eligibility and income shall be reviewed every six months. Participants in rapid rehousing are required to meet with case managers monthly.

#### **Rapid Re-Housing Component – Housing Relocation and Stabilization Services**

- ❖ Eligible services include:
- ❖ Housing search and placement;
- ❖ Housing stability case management mediation;
- ❖ Legal services;
- ❖ Credit repair

**Eligible services under case management include:** centralized coordinated assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).

**HMIS** – funding for ESG-funded agencies to cover software licensing fees and other fees incurred by the agency for utilization of HMIS data systems

##### **Ineligible Activities**

- ❖ Acquisition of real property
- ❖ New construction
- ❖ Legal services for immigration and citizenship matters, and issues relating to mortgages
- ❖ Inpatient detoxification and other inpatient drug or alcohol treatment

- ❖ Payment of temporary storage fees in arrears
- ❖ Bad debts/late fees
- ❖ Payment or modification of a debt
- ❖ Rehabilitation of structures to the extent that those structures are used for inherently religious activities
- ❖ Mortgage payments

### **Other Project Compliance & Implementation Requirements**

Applicants must match their total ESG award with at least 100% in cash and/or in-kind contributions from non-CDBG sources used for ESG-eligible expenditures, as outlined in 24 CFR 576.201 and 2 CFR 200.306.

If awarded funding, agencies must provide a signed document on official letterhead confirming the amount, source, and date of availability of matching funds before their agreement with the City is executed. Matching contributions should be reported and documented on a monthly basis to ensure compliance and prevent delays in spending.

Agencies should not fall behind on their match contributions, as this slows down the spend rate and may impact future funding eligibility. Maintaining a consistent and timely match helps ensure efficient program operation and compliance with HUD regulations.

### **Below are additional requisites that apply to the 100% match requirement:**

- ❖ Matching funds must be used on an eligible ESG activity for allowable costs.
- ❖ Not more than 50% of agency match may be derived from donations. Clothes and toy donations cannot be used as match.

Matching funds are provided based on the total grant award and do not have to be provided on a component-by-component basis. For example, if an agency is awarded \$10,000 for HMIS, they do not need to find \$10,000 in data collection funds from another source as match. Rather, the \$10,000 match could be used on another ESG component towards allowable costs. Matching funds must not, and will not, be used to match any other Federal program's funds nor any other federal, state and/or local grant. Agency must keep records of the source and use of contributions made to satisfy the match requirement. Refer to HUD's 24 CFR Part 576.201 for further information on ESG's matching requirement.

**El Paso Helps** - ESG-funded street outreach services must align with and compliment El Paso Helps, the City-led initiative to coordinate street outreach and other services for vulnerable populations. This include collaboration with the El Paso Helps partners during the collaborative meetings.

**Administrative Capacity** - ESG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate administrative and financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement.

**Written Standards** - Applicants must certify they have written standards that comply with the requirements of 24 CFR §576.400 to include order of priority. Additionally, a copy of the written standards of the program will be required within 30 days of submission of application.

**Budget Revisions** - Budget revisions may be requested among existing budget line items within an ESG component. All budget revisions occurring within the contract period may not exceed 20% of the total award without the approval of the DCHD Director or their designee. A moving of funds between different ESG components requires will not be authorized.

**Contact Information** - At least three contact names, phone numbers and email addresses must be provided with each application. The agency's Executive Director must be one of these three contacts. Applicants are responsible for submitting updated contact information throughout the funding year.

**Eligibility Guidelines** - Applicant must provide direct services to at-risk or homeless individuals and families. Applicant is required to verify each client's eligibility status.

**Emergency Shelter** - While applicants may apply specifically for "Emergency Shelter" funding from both the Emergency Solutions Grant and the Community Development Block Grant, any awarded funding will only be from one of those entitlement grants.

**Funding Request** - Minimum funding request by applicant for any project must be \$100,000.

**HMIS Participation** - Applicants for ESG are required to participate and enter their data in the El Paso Homeless Management Information System (HMIS). Refer to the local requirements section of this document for detailed HMIS participation requirements.

**Multiple Sites** - Each physical location where funded services are provided is considered to be a separate activity. Any project that provides services in more than one location must complete an Activity/Partner Supplement for each site. The budgets for combined sites or activities must align with the budget for the overall project.

**Partnerships** - Applicants are encouraged to collaborate in order to maximize the use of funding and streamline services. Applicants must state in their Letter of Intent if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full ESG application when it is submitted to DCHD.

- ❖ If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.

**Program Income** - Applicants are required to report program income and expended match funds monthly.

**Rental Assistance** - Applicants who apply to provide Rental Assistance will be required to conduct inspections of housing units for compliance with Housing Standards (24 CFR Part 576.403(c), Lead-Based Paint requirement Standards (24 CFR Part 35, 576.403(a), Fair Market Rent and Rent Reasonableness Standards (24 CFR Part 576.106(d).

**Staff hours** - The City will only reimburse applicants for staff hours that are spent on direct services funded by ESG to eligible clients.

### **Performance Goals**

Applicants must have the capability to track their project outcome(s) over time and report on results if the project/activity is eventually funded. Funded projects will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, to include unduplicated clients served, may result in a hold on reimbursement. Further technical assistance on this subject will be provided to funded agencies.

## **Homeless Housing and Services Program (HHSP)**

In accordance with Tex. Government Code §2306.2585, HHSP provides funding to municipalities with populations of 285,500 or greater to develop programs aimed at preventing and eliminating homelessness. The City of El Paso is projected to receive HHSP funds under both the General and Youth Set-Aside components.

### **General Component**

Eligible applicants include agencies currently administering Homelessness Prevention and/or Rapid Rehousing Assistance programs that incorporate case management as part of their services. The local objectives for HHSP General funding are to:

- ❖ Prevent at-risk families and individuals from becoming homeless.
- ❖ Rapidly re-house individuals and families who are experiencing homelessness.
- ❖ Provide case management to ensure successful outcomes.

### **Youth Set-Aside Component**

Eligible applicants must be agencies currently administering youth homelessness programs focused on transitional housing for unaccompanied homeless youth and homeless young adults (ages 18-24). These agencies must provide case management and/or essential services as part of their transitional housing programs. The local objectives for HHSP Youth Set-Aside funding are to:

- ❖ Provide case management to eligible youth (ages 18 to 24) in transitional housing.
- ❖ Provide transitional housing for youth (ages 18 to 24), including those who have aged out of foster care.
- ❖ Provide essential services to youth (ages 18 to 24) in transitional housing.

These objectives align with the City’s strategy to reduce homelessness by ensuring targeted support for both at-risk populations and homeless youth, promoting housing stability and long-term success.

### **Funding Allocation**

The City of El Paso recognizes the critical need for an effective crisis response system that ensures homelessness is rare, brief, and non-recurring by providing immediate support, stabilization, and long-term housing solutions. To achieve this, HHSP funding allocations will align as closely as possible with ESG priorities. The City of El Paso recognizes the critical need for an effective crisis response system that ensures homelessness is rare, brief, and non-recurring by providing immediate support, stabilization, and long-term housing solutions. To achieve this, HHSP funding allocations will align as closely as possible with ESG (Emergency Solutions Grant) priorities.

### **Eligible Activities**

#### **General**

Case management costs include staff salaries related to assessing, arranging, coordinating and monitoring the delivery of services related to finding or maintaining housing. Costs include, but are not limited to, household eligibility determination, counseling, coordinating services and obtaining mainstream benefits for Program Participants, monitoring Program Participant progress, providing safety planning for persons under VAWA, developing a housing and service plan, and entry into HMIS or an HMIS-comparable database.

Essential services costs are associated with finding and maintaining stable housing, and include, but are not limited to, costs for:

- ❖ Out-patient medical services;
- ❖ Child care;
- ❖ Education services;
- ❖ Legal services;
- ❖ Mental health services;
- ❖ Local transportation assistance;
- ❖ Drug and alcohol rehabilitation; and
- ❖ Job training

Homelessness prevention and homelessness assistance costs that are associated with housing relocation, stabilization and assistance costs.

Staff time entering information into HMIS or HMIS-comparable database related to homelessness prevention and homeless assistance is also an eligible cost.

**Homelessness prevention and homelessness assistance costs include, but are not limited to:**

- ❖ Hotel or motel costs.
- ❖ Transitional housing.
- ❖ Rental and utility assistance.
- ❖ Rental arrears.
- ❖ Utility reconnection fees.
- ❖ Reasonable and customary security and utility deposits; and
- ❖ Moving costs.

**Youth Set-Aside**

Transitional living activities for youth-headed households are designed to provide short-term housing in conjunction with appropriate supportive services designed to foster self-sufficiency.

- ❖ **Case management costs** include staff salaries related to assessing, arranging, coordinating and monitoring the delivery of services related to finding or maintaining housing. Costs include, but are not limited to, household eligibility determination, counseling, coordinating services and obtaining mainstream benefits for Program Participants, monitoring Program Participant progress, providing safety planning for persons under VAWA, developing a housing and service plan, and entry into HMIS or an HMIS-comparable database.
- ❖ **Operation costs** include rent, utilities, supplies and equipment purchases, food pantry supplies, and other related costs necessary to operate an emergency shelter serving individuals experiencing
- ❖ **Homelessness assistance costs** are those associated with housing relocation, stabilization and assistance.

Staff time entering information into HMIS or HMIS-comparable database related to homelessness prevention and homelessness assistance are also an eligible cost.

**Homelessness assistance costs include, but are not limited to:**

- ❖ Hotel or motel costs;
- ❖ Transitional housing;
- ❖ Rental and utility assistance;

- ❖ Rental arrears;
- ❖ Utility reconnection fees;
- ❖ Reasonable and customary security and utility deposits; and
- ❖ Moving costs

### **Program Participant Eligibility & Recordkeeping**

**Per the Texas Regulation 3762 §7.28, the following requirements pertain to program participant eligibility and recordkeeping:**

- ❖ A Program Participant must satisfy the eligibility requirements by meeting the appropriate definition of “homeless” or “at-risk of homelessness” in this Chapter, relating to Homelessness Programs, including but not limited to applicable income requirements.
- ❖ B. A Program Participant who is homeless qualifies for emergency shelter, Transitional Living Activities, case management, essential services, and homeless assistance.
- ❖ C. A Program Participant who is at-risk of homelessness qualifies for case management, essential services, and homeless prevention.
- ❖ D. The Subrecipient shall establish income limits that do not exceed the moderate-income level pursuant to Tex. Gov’t Code §2306.152 in its written policies and procedures, and may adopt the income limit calculation method and procedures in TDHCA Handbook 4350 to satisfy this requirement.
- ❖ E. Recertification. Recertification is required for Program Participants receiving homelessness prevention and homelessness assistance within 12 months of the assistance start date. Subrecipient's written policies may require more frequent recertification. At a minimum, recertification requires that Program Participants receiving homelessness prevention or homelessness assistance:
  - ❖ 1. Meet the income eligibility requirements as established by the Subrecipient, if such limits are implemented in the Subrecipient's policies and procedures and required to be reviewed at Recertification; and
  - ❖ 2. Lack sufficient resources and support networks necessary to retain housing without assistance.
- ❖ F. Break in Service. The Subrecipient must document eligibility before providing services after a break in service. A break in service occurs when a previously assisted household has exited the program and is no longer receiving HHSP-funded services. Upon reentry into HHSP, the Household is required to complete a new intake application and provide updated source documentation, if applicable.

- ❖ G. Program Participant Files. Subrecipient or their Subgrantees shall maintain Program Participant files for non-emergency activities providing direct subsidy to or on behalf of a Program Participant that contain the following:
  - ❖ 1. An Intake Application, including the signature or legally identifying mark of all adult Household members certifying the validity of information provided, an area to identify the staff person completing the intake application, and the language as required by Tex. Gov't Code §434.212;
  - ❖ 2. Certification from the Applicant that they meet the definition of "homeless" or "at-risk of homelessness." The certification must include the Program Participant's signature or legally identifying mark;
  - ❖ 3. Documentation of income eligibility, if applicable, which may include a Declaration of Income Statement if documentation is unobtainable;
  - ❖ 4. Documentation of annual recertification, as applicable, including income eligibility determination and verification that the Program Participant lacks sufficient resources and supports networks necessary to retain housing without assistance;
  - ❖ 5. Documentation of determination of ineligibility for assistance when assistance is denied. Documentation must include the reason for the determination of ineligibility;
  - ❖ 6. Copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by Program Participants;
  - ❖ 7. Documentation of the monthly allowance for utilities used to determine compliance with the rent restriction; and
  - ❖ 8. Documentation that the dwelling unit for Program Participants receiving rental assistance complies with the Housing Standards in this Chapter, relating to Homelessness Programs
- ❖ Administrative Capacity. HHSP funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate administrative and financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement.
- ❖ Written Standards. Applicants must certify that they have written standards that comply with the HHSP requirements to include order of priority. Additionally, a copy of the written standards of the program will be required within 30 days of submission of application.
- ❖ Budget Revisions. If an award is granted, the City's prior written approval will be required for any changes exceeding 20% within the consultants' line item.



- ❖ **Contact Information.** At least three contact names, phone numbers and email addresses must be provided with each application. The agency's Executive Director must be one of these three contacts.
- ❖ **Applicants are responsible for submitting updated contact information throughout the funding year.**
- ❖ **Eligibility Guidelines.** Applicant must provide direct services to homeless individuals and families or individuals and families at-risk of homelessness. Applicant is required to verify each client's eligibility status.
- ❖ **Funding Allocation.** The minimum funding for a project will be \$100,000. This may be adjusted by the department depending on state final allocation.
- ❖ **HMIS Participation.** Applicants for HHSP are required to participate and enter their data in the El Paso Homeless Management Information System (HMIS). Refer to the local requirements section of this document for detailed HMIS participation requirements.
- ❖ **Rental Assistance.** Applicants who apply to provide Rental Assistance will be required to conduct inspections of housing units for compliance with Housing Standards, Lead-Based Paint requirement Standards, Fair Market Rent and Rent Reasonableness Standards
- ❖ **Staff hours.** The City will only reimburse applicants for staff hours that are spent on direct services funded by HHSP to eligible clients. Applicants must have the capability to track their project outcome(s) over time and report on results if the project/activity is eventually funded. Projects funded will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, to include clients served, may result with a hold on reimbursement. Further technical assistance on this subject will be provided to funded agencies.

### **Performance Goals**

Applicants must have the capability to track their project outcome(s) over time and report on results if the project/activity is eventually funded. Funded projects will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, to include unduplicated clients served, may result in a hold on reimbursement. Further technical assistance on this subject will be provided to funded agencies.

## **Community Performance Standards**

Signed into law in 2009, the HEARTH Act requires communities to implement strategies to prevent the loss of housing, help people quickly move out of homelessness and into housing and ensure housing stability (24 CFR Part 578). Therefore, communities must track and report their homeless assistance systems progress towards these outcomes (24 CFR Part 578, items 6 & 7). Performing well on these outcomes requires communities to align their systems to focus on housing-based solutions, strengthen their capacity to collect data and information across programs and improve overall system performance.

Success in achieving performance standards during the annual monitoring period along with other factors, will inform funding decisions.

## Housing Programs

The **HOME Investment Partnerships Program (HOME)** provides formula grants to states and local governments to fund affordable housing activities including acquiring, constructing, and/or rehabilitating affordable housing for rent or homeownership. HOME funds are typically dispersed in the form of grants, amortized loans, and deferred forgivable loans.

The **CDBG Revolving Loan Fund (RLF)** is a combination of proceeds from principal and interest generated from prior years' first-time home buyers, single family renovation, and multi-family affordable rental development borrowers. These funds cannot be used for new construction of affordable housing under HUD regulations but may be used to support housing rehabilitation programs for multi-family affordable rental units.

The CNA and El Paso Regional Housing Plan guide HOME and CDBG investment in affordable housing production, rehabilitation, and homebuyer assistance.

### Funding Allocation

The funding allocation for each of the housing programs described above will be determined based on community need and the ability for programs to feasibly serve El Pasoans given HUD requirements and housing market conditions. Actual allocations are to be established through approval of the upcoming year's Annual Action Plan which is approved by City Council.

### Development of Affordable Housing

When sufficient fund balances are available, DCHD issues a Notice of Funding Availability (NOFA) to receive proposals for new construction or rehabilitation of affordable rental units. The NOFA establishes a tentative amount of funding that is made available. Should DCHD receive an abundance of quality proposals, the tentative amount of funds available under the NOFA may be increased at the DCHD Director's discretion. Award of funds for projects are approved by City Council.

### Single-Family Owner-Occupied Renovation Program

The purpose of the Single-Family Owner-Occupied Renovation Program is to assist low to moderate income homeowners (households at 80% or less of area median income as determined by HUD) to increase safety, sanitation and functionality of their homes. The program is inclusive of 4 distinct options for assistance:

- ❖ **Sewer Connection:** Aids in establishing an initial connection to local sewer lines, and assistance is capped at \$25,000.00. Sewer assistance is funded by CDBG, and no repayment will be required.

- ❖ **Minor Repair:** Provides funds for addressing conditions that pose an imminent threat to the health, safety and welfare of the occupants (as determined by HUD) and assistance is capped at \$25,000.00. Minor Repair is funded by CDBG and no repayment will be required.
- ❖ **Rehabilitation:** Aids with significant renovation addressing conditions that pose an imminent threat to the health safety and welfare of the occupants (as determined by HUD) ranging in cost from a minimum of \$25,001.00 - \$90,000.00. **The Rehabilitation Program requires a Forgivable Deferred Payment Loan Note and a recorded Deed of Trust that places a lien on the property.**
- ❖ **Reconstruction:** Aids with addressing conditions that pose an imminent threat to the health safety and welfare of the occupants (as determined by HUD) AND exceeds the \$90,000 rehabilitation threshold. The maximum assistance cap for reconstruction is calculated based on a formula provided by HUD. **The Reconstruction Program requires a Forgivable Deferred Payment Loan Note and a recorded Deed of Trust that places a lien on the property.**

The program is not currently open to new applicants. While it is our commitment to enhancing housing opportunities, the Single-Family Owner-Occupied Program is undergoing a temporary closeout. **This decision does not affect certified eligible applicants.**

### **Program Eligibility**

Applicant refers to an individual who has applied to one of our four programs for Single-Family Owner-Occupied Renovation Programs. Being an applicant does not guarantee approval. An applicant is considered certified as eligible only after meeting all of the following criteria:

- ❖ **Duration of Occupancy:** In addition to owning the property, the applicant must verify that they have occupied the home for a minimum of 3 years prior to applying to the program.
- ❖ **Eligibility Restriction:** Applicant(s) are eligible for the Single-Family Owner-Occupied Renovation Program assistance only once per property and cannot receive additional funding for the same property.
- ❖ **Eligible Household Members:** Total number of household members is defined as Family members of household, including self, living at the address. This should include all persons related by blood, marriage, or adoption residing in one dwelling. The applicant is responsible for identifying family members who contend not to have eligible immigration status as per HUD 24 CFR 5.508.
- ❖ **Environmental Review:** In accordance with 24 CFR Parts 50, 58, and 570 the Property of the Applicant(s) applying for assistance under the Single-Family Owner-Occupied are subject to a review to evaluate impacts on the environment. The Property must pass an environmental review before being deemed eligible for assistance.
- ❖ **Homeowner Insurance/Flood Insurance:** The property must be insured at the time of application submission or be eligible for insurance upon completion in an amount sufficient to protect the full value of the assistance provided.

- ❖ **Income and Asset Qualification:** The gross annual income of the applicant's family may not exceed 80% of the median income for the City of El Paso, as published by HUD on an annual basis. Except that in a case of multiple owners, only the income of the owner(s) occupying the dwelling unit will be counted. A household is defined as one or more persons occupying a dwelling unit. HUD 24 CFR Part 5 definition of income and assets is utilized for this program. Current HOME Income Limits are published annually in the following link:  
<https://www.hudexchange.info/programs/home/home-income-limits/>
- ❖ **Location and Characteristics:** Property must be a single unit dwelling, located within the city limits of the City of El Paso. Property must also comply with Section R304 (Minimum Room Areas, habitable rooms shall have a floor area of not less than 70 square feet) of the International Residential Code as adopted by the City of El Paso.
- ❖ **Outstanding Property Tax and City Debt:** As per City ordinance 016529, individuals that have outstanding indebtedness to the City, and not on an active deferment with the tax office will be considered ineligible for this program. Proof of current good standing regarding property taxes owed to the City of El Paso is required. All delinquent property taxes or other debt to the City must be remedied prior to proceeding with an application for assistance.
- ❖ **Property Value Requirements:** The maximum after rehabilitation value of the property may not exceed 95% of the Single-Family Mortgage Limits under Section 203 (b) of the National Housing Act (12 U.S.C. 1709 (b)) or the HOME 221 (d)(3) Limits for the City of El Paso per HUD established guidelines. The property value will be determined by one or more of the following methods:
  - **Estimates of Value (Comparable Sales):** Estimates of value based on sale prices for comparable properties in the immediate neighborhood (within the prior year). Projected estimates should include value prior to proposed improvement AND estimated after rehabilitation value.
  - **Tax Valuation:** Tax Valuation from the El Paso Central Appraisal District (EPCAD) for the applicant's property. EPCAD assessments for comparable property in the same neighborhood may be used to establish the after-rehabilitation value if the assessment is current and accurately reflects the market value of standard properties.
  - **Appraisal:** Appraisals prepared by a Texas Licensed fee appraiser may be used. Documentation of appraisal approach utilized must be provided. The appraised value approach may be used when the after-rehabilitation value is within \$1000 of the program limit or if there is a lack of comparable properties.
- ❖ **Residency Requirements:** Applicants must provide proof of residency within the city limits of the City of El Paso by providing copies of one of the following:
  - Driver's License
  - State Identification Card

- Utility Bills
- Notarized Affidavit attesting to residency in the City of El Paso
- ❖ **Verified Homeowner:** The applicant(s) must be both the owner(s) AND occupant of the property. Ownership must be verified by presenting the latest recorded Warranty Deed, Deed of Trust and/or in written form by a title company in the form of a Commitment for Title Insurance. Additionally, properties that have the following will not be accepted into the program:
  - Reverse Mortgages
  - Title Issues
  - Pending Bankruptcy
  - Pending Foreclosure
  - Currently Delinquent on Mortgage Payments

**It is the responsibility of the applicant to ensure that all documentation submitted is complete and verified as accurate. Additional verification and re-certification of eligibility may be asked of the applicant to ensure that all verifications are completed and up to date as of the signing and execution of the Three-Party Agreement. An applicant is only considered an approved client for renovations after a three-party agreement is executed.**

While all of the above documentation is required, the following factors may disqualify any applicant from the program regardless of meeting other eligibility requirements.

- ❖ **Cancellation:** Any applicant who cancels an application while it is process shall not be eligible for assistance for at least one year. If the applicant does not consent to the proposed scope of work, general contractor or loan terms cancelation must be documented in the file in writing. Cancellation may also occur at the discretion of the Director. Examples of cancelation include but are not limited to:
  - A situation where funds are not available
  - After a maximum of three (3) bidding attempts
- ❖ **Change in Income or other Asset based Eligibility:** Any changes to an applicant's income or assets during the application process must be reported to the City of El Paso immediately. Changes will initiate a complete restart of the application process.
- ❖ **Conflict of Interest:** Conflict of interest criteria derives from local requirements, specific-grant regulations as applicable, and federal regulations governed by the Code of Federal Regulations (CFR). In accordance with 2 CFR 200.112. Conflict of Interest, a recipient must disclose any potential conflict of interest to the applicable Federal agency. Similarly, Applicants must report any potential conflict of interest to the department in order to assess the potential conflicts'

effect. Such disclosure must be presented in writing describing the potential conflict's nature and details as well as the requested action to address the potential conflict.

In general, a conflict of interest occurs when an individual has a financial interest that may prevent them from acting in the best interests of the program or project at hand. Exceptions may be granted but must be assessed on a case-by-case scenario to ensure compliance with governing laws and regulations.

**HOME Program Considerations.** If the project is funded by the Home Investment Partnership Program (HOME), the project units must not be occupied by the owner, developer, or sponsor (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor, whether private, for-profit or nonprofit including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) of the assisted by HOME during the affordability period of the project. This is not applicable to applicants who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

- ❖ **Failure to Provide Required Documentation / Incomplete Application:** Applications that are incomplete will not be accepted. The applicant(s) will be given 20 business day from date of initial application to provide the required documentation. Applicant(s) will be notified by email and/or certified mail of missing information. The notification will list the missing documents and give the applicant(s) a deadline of ten (10) calendar days to provide the information. Missed deadlines will result in disqualification from the Single-Family Owner-Occupied Renovation Program. Staff will consider extenuating circumstances when determining exemptions to this rule and the number of days to respond. Extenuating circumstances include death of a family member, long-term illness, or household member(s) unable to provide information due to circumstances beyond their control. Applicant(s) who are denied or withdraw will receive written notification from staff.
- ❖ **Harassment of City Staff:** Harassment of a public servant is defined as an act that intentionally causes a public servant to feel harassed or threatened. This includes any offensive or provocative behavior directed at the public servant in a manner likely to be considered menacing. Harassment can also involve electronic communication via text, email, video and more. The department head holds the authority to determine instances of harassment.
- ❖ **Non-Compliance with Previous Programs:** Individuals who have previously participated in the program and failed to comply with program guidelines are not eligible to apply again.
- ❖ **Sale or Transfer of the Property:** Any action taken to sell or transfer ownership of the property once the application process has begun will disqualify the applicant from the program.

## Dispute Resolutions and Appeals

Please be aware that any applicant who has been denied assistance or disqualified from the program has the right to appeal the decision. Please note we will not accept appeals on the procurement process. Concerns regarding the procurement process should be addressed directly with the department of Purchasing and Strategic Sourcing. If a project has been bid unsuccessfully three times, it cannot be appealed.

The appeal process requires appeals to be submitted in writing to the Director of Community and Human Development. In the appeal, please include the following details:

- ❖ A clear statement indicating the decision being appealed,
- ❖ Any relevant documentation or evidence supporting your appeal,
- ❖ Any specific reasons or arguments explaining why you believe the decision should be overturned, and
- ❖ Your contact information for further communication regarding the appeal.

We emphasize the principle of ensuring that every individual has access to equitable treatment throughout the appeals process. It is our commitment to uphold the highest standards of accountability and fairness in addressing appeals, thereby safeguarding the rights and interests of all applicants involved.

### **Agreement Form and Requirements**

- ❖ **Single-Family Owner-Occupied Three-Party Agreement:** The Single-Family Owner-Occupied Three-Party Agreement is a formal agreement established between three essential entities: The Property Owner, the General Contractor, and the City of El Paso. This contractual arrangement serves as a pivotal framework governing the relationships and responsibilities among these parties during the execution of the Single-Family Owner-Occupied Renovation Program. An applicant does not have an approved project unless a Three-Party Agreement is signed and formally executed.
  - **Property Owner:** The property owner is a key participant in the Agreement, representing the individual or family residing in the home targeted for renovation. Their role involves providing consent, cooperation, and access to the property for renovation purposes. The agreement outlines the specific obligations and expectations for the property owner throughout the renovation process.
  - **General Contractor:** The General Contractor plays a central role in executing the renovation work outlined in the program. They are responsible for overseeing and carrying out the necessary repairs or improvements. The Agreement delineates the scope of work, project timelines, quality standards, and other essential details that guide the General Contractor's actions throughout the renovation project.
  - **City of El Paso:** As the grantee overseeing the program, the City of El Paso acts as a regulatory authority and funding entity. The Agreement establishes the City's

expectations, guidelines, and conditions for the renovation project. It may include compliance requirements, reporting obligations, and standards that the property owner and General Contractor must adhere to during the course of the renovation.

❖ **Agreement Execution Process:**

- Obtain initial information from Property Owner and General Contractor: location, property and project description, sub-contractors, project completion, scope of work, all forms applicable to the project, and compliance requirements.
- DCHD will conduct a debarment check to ensure the General Contractor does not have any active findings prior to Agreement execution. Debarment checks for Task Order agreements executed under a Job Order Agreement will fulfill this requirement for the initial debarment check conducted during the execution of the Job Order Contract.
- DCHD gathers information to including but not limited to, financial amount terms, conditions precedent, lien and collateral documentation, covenants, notices and any other applicable documentation.
- Draft Agreement, inclusive of all pertinent attachments, is sent to all parties for review and confirmation; any changes deemed necessary must be revised at this point.
- DCHD forwards to Legal for approval then proceeds with obtaining all parties' signatures.
- Agreement is forwarded to Director and City Manager for approval and signatures; followed by full execution.
- Executed copy of Agreement is sent to all parties; execution date is official.

❖ **Disclosure Statement:** A notice of your rights and responsibilities under the law when entering into a legal transaction regarding the property owners' risk, rights, and responsibilities.

❖ **Title VI Non-Discrimination Requirements:** Title VI Non-Discrimination prohibits discrimination on the basis of race, color, or national origin in all HUD- assisted programs.

❖ **Change Orders and Amendments:** When unforeseen issues or modifications during construction arise, a change order may be necessary. All three parties must agree to the change order in writing, and an inspection of the modifications being made must be approved by the Department before any changes to the original scope of work are implemented. Once the change order has been agreed upon and approved by all three parties, an amendment to the original three-party agreement will be executed.

## **Procurement**

Single-Family Owner-Occupied projects are procured using two primary methods:



- ❖ **Competitive Procurement:** Vendors and contractors submit bids or proposals, evaluated by the City's purchasing Department based on an exhaustive list of predefined criteria. These include assessments of price competitiveness, compliance with specifications, contractor qualifications, timeliness, quality of proposed materials or services, adherence to regulations, financial stability past performance, minority or women-owned business participation, and commitment to sustainability and environmental considerations. **In the case of individual competitive bidding, each project will undergo a maximum of three (3) bidding rounds, ensuring a comprehensive and fair selection process.**
- ❖ **Job Order Contract (JOC) Procurement:** Under a JOC, DCHD establishes pre-negotiated Agreements with JOC contractors. When a specific project arises, DCHD will issue a task order to the JOC Contractor for project execution. The DCHD will assess and select the best procurement method to utilize based on the project's description, scope of work, budget, and other information related to the project.

Following the completion of the application process and verification of all information, the project will either be assigned through a task order to an awarded JOC contractor or may undergo individual competitive bidding. Applicants do not have the option to choose between the JOC or Competitive Procurement process, as the Department determines the appropriate route based on the scope of work, availability of funds, contractor availability, and project timeline.

#### **Sewer Connection – CDBG RLF**

The purpose of the Residential Sewer Connection Program is to aid with the initial connection to local sewer collection lines for income-eligible single-family housing in El Paso. This program will cover costs associated with connection to the City's sewer collection line. This special assistance program can be provided independent of any other housing assistance programs.

Each household may be qualified to receive assistance for eligible work allowed up to the actual cost of initial connection to the main sewer collector.

#### **Eligible Costs and Work**

- ❖ The El Paso Water Utilities (EPWU) frontage fee for connection to the main sewer collector line, including sewer lateral stub-outs to the property line. The property owner should submit proof of an Installation and Service Agreement Application with the EPWU of the City of El Paso.
- ❖ Cost of installing the sewer service line, with two-way clean out, from the EPWU stub-out to the dwelling unit to be serviced.
- ❖ Cost of any sewer appurtenance necessary to make the sewer service functional, as well as the cost of restoring fences, rock walls, walkways, re-paving, etc. which are disturbed during the installation of the sewer line.
- ❖ The cost to treat any existing septic tank(s), backfill and compact.

#### **Ineligible Costs and Work**

- ❖ Replacement of an existing sewer line to an existing connection to a main sewer collection line is not allowed.
- ❖ No work will be performed inside any dwelling unit as part of this grant.
- ❖ In accordance with the City of El Paso zoning ordinance, when there is more than one dwelling located on the same lot, only the principal residence will be eligible for sewer connection.

### **Minor Repair – CDBG RLF**

The Minor Repair program provides funds for repairs to address conditions that pose an imminent threat to the health, safety, and welfare of the occupants, or to bring conditions to accessible standards, if needed. The intent of the program is not to provide routine maintenance or general repairs, but to help prevent homelessness due to building safety deficiencies.

### **Program Terms**

Each household may be qualified to receive assistance for eligible work allowed up to the maximum assistance of \$25,000.00 (of which a maximum of \$4,999.99 may be used for Lead Based Paint Interim controls, and the remainder for soft costs and minor repair hard costs).

### **Economic Feasibility Criteria**

The application shall be deemed infeasible for assistance, if it is determined that more than the Community Development limit (\$25,000.00) will be necessary to correct all items requiring minor repair and perform Interim Controls on lead-based paint surfaces.

- ❖ Under certain circumstances, the applicant may supplement funds with private funds, in order to make such structure feasible for rehabilitation. The source of the private funds will be evaluated by the Housing Programs Division to ensure affordability.

### **Eligible Costs and Work**

- ❖ The City of El Paso's Housing Programs Division will determine the eligible minor repairs based on HUDs requirements.
- ❖ Conditions that pose an imminent threat to the health, safety, and welfare of the occupants and/or accessibility requirements.
- ❖ Interim controls for surfaces that contain Lead Based Paint. Interim Controls shall be accomplished in strict accordance with the HUD lead rule. Only Certified Lead Firms or Contractors that have received training in Lead Safe Practices shall be permitted to perform Interim Controls.
- ❖ Costs for the initial Lead Based Paint Inspection and Risk Assessment from a certified Lead Firm.

### **Ineligible Costs and Work**

- ❖ Routine maintenance or general repairs that don't address an imminent threat to health, safety, and welfare of the occupants, and or accessibility requirements, are not eligible under the Minor Home Repair Program.

## **Rehabilitation – HOME**

The Rehabilitation program provides funds for repairs to address conditions that pose an imminent threat to the health, safety, and wellbeing of the occupants, or to bring conditions to accessible standards, if needed. The intent of the program is not to provide routine maintenance or general repairs, but to help prevent homelessness due to building safety deficiencies. Whenever HOME funds are used for rehabilitation, the work must be performed according to the written rehabilitation standards and the unit must be brought up to the applicable federal, state, or local code.

### **Program Terms**

- ❖ Assistance for significant renovation addressing conditions that pose an imminent threat to the health safety and welfare of the occupants ranging in cost from a minimum of \$25,001.00 - \$90,000.00.
- ❖ Value of HOME assisted property after rehabilitation must not exceed 95% of the median purchase price for the area, as published by HUD, or, in accordance with the Final Rule, as determined locally through market analysis.
- ❖ Applicant(s) is required to maintain both homeowners' insurance and flood insurance for the entire affordability period. Proof of active coverage must be submitted annually. Failure to provide this documentation may result in non-compliance with program requirements.

### **Economic Feasibility Criteria**

The application shall be deemed infeasible for assistance, if it is determined that more than the Community Development limit (\$90,000.00) will be necessary to correct all code violations and items requiring rehabilitation. If the applicant may be required to supplement the costs with private funds, in order to make such structure feasible for rehabilitation. If the applicant is unable to secure the required supplemental amount, the project will be deemed in-feasible, and the application will be cancelled.

- ❖ Under certain circumstances, the applicant may supplement funds with private funds, in order to make such structure feasible for rehabilitation. The source of the private funds will be evaluated by the Housing Programs Division to ensure affordability; or
- ❖ If a property is physically and/or financially infeasible for rehabilitation, reconstruction of the dwelling unit may be authorized.

### **Eligibility Requirements**

- ❖ Applicant(s) must be at or below the area median income (80% AMI).
- ❖ Property's condition must pose threat to the health and safety of occupants.

- ❖ Property is in violation of International Residential Codes as adopted by the City of El Paso, State, and Federal regulations.
- ❖ Property located in the City of El Paso, deemed suitable for rehabilitation.

### **Eligible Costs and Work**

#### **❖ Hard Costs**

- Meeting the rehabilitation standards
- Rehabilitation costs between \$25,001.00 and \$90,000.00 costs for the purpose of bringing a dwelling unit into compliance with the provisions of the International Residential Codes, standards, and ordinances
- Exterior façade improvements in accordance with HUD's neighborhood focus
- Historic Preservation Requirements
- Essential improvements
- Energy-related improvements
- Initial lead-based inspection
- Lead-based paint hazard reduction, asbestos, and mold abatement and/or encapsulation
- Accessibility for disabled persons
- Repair or replacement of major housing systems such as HVAC, electrical, and plumbing
- Incipient repairs and general property improvements of a non-luxury nature
- Site improvements and utility connections

#### **❖ Soft Costs**

- Financing fees
- Credit reports
- Title binders and insurance
- Recordation fees, transaction taxes
- Legal and accounting fee
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Project costs incurred that are directly related to a specific project

- Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable.

### Lead Based Paint Hazards

Federal regulations (24 CFR 35) require the actions be taken to reduce lead-based paint hazards in any project receiving federal funds.

<b>SUMMARY OF LEAD-BASED PAINT REQUIREMENTS FOR REHABILITATION (24 CFR 35)</b>			
<b>Total Project Cost</b>	<b>&lt;\$5,000</b>	<b>\$5000 - \$25,000</b>	<b>&gt;\$25,000</b>
<b>Approach to Lead Hazard</b>	Do no harm	Identify and control lead hazards	Identify and abate lead hazards
<b>Notification to Residents</b>	a) Pamphlet b) Notice of lead hazard reduction	a) Pamphlet b) Notice of lead hazard evaluation c) Notice of lead hazard reduction	a) Pamphlet b) Notice of lead hazard evaluation c) Notice of lead hazard reduction
<b>Lead Evaluation or Visual Assessment</b>	Paint testing of surfaces to be disturbed	Paint testing and risk assessment	Paint testing and risk assessment
<b>Lead Hazard Reduction</b>	Repair surfaces disturbed during rehabilitation. Safe work practices & occupant protection Work must be performed by personnel with proper training or supervision.	Interim controls. Safe work practices & occupant protection Work must be performed by personnel with proper training or supervision.	*Abatement of hazards & surfaces disturbed by rehabilitation. Safe work practices & occupant protection Work must be performed by personnel with proper training, supervision, and certification.
<b>Clearance</b>	Clearance is required following abatement, interim controls, and paint stabilization (unless area stabilized is less than de minimis level)		

- ❖ **\*Abatement of Lead Hazards & Surfaces Disturbed by Rehabilitation:** All painted surfaces to be disturbed during rehabilitation found to be lead-based paint and lead hazards identified by the

risk assessment must be abated, EXCEPT interim controls may be used on lead hazards on exterior surfaces that will not be disturbed during rehabilitation.

#### ❖ **Definitions of Selected Key Terms**

- **Abatement:** Measures to permanently control (i.e., 20 years or more) lead-based paint or lead-based paint hazards. EPA regulations exclude from the definition of abatement “renovation, remodeling, landscaping or other activities, when such activities are not designed to permanently eliminate lead-based paint hazards, but instead are designed to repair, restore, or remodel a given structure or dwelling, even though these activities may incidentally result in a reduction or elimination of lead-based paint hazards.” [40 CFR 745.223]
- **Clearance Examination:** Clearance is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust samples, and preparation of report. The certified risk assessor, paint inspector, or lead sampling technician performing clearance must be independent from the entity/individual conducting paint stabilization or hazard reduction.
- **Lead Safe Work practices:** Workers must follow safe work practices and occupant protection as outlined in 24 CFR 35.1350.
- **Paint Testing:** Testing of specific surfaces, by XRF (x-ray fluorescence) or lab analysis, to determine the lead content of these surfaces, performed by a certified lead-based paint inspector or certified risk assessor.
- **Presumption:** Assuming that a painted surface to be disturbed contains lead-based paint rather than having this surface tested for the presence of lead. For more information see 24.CFR 35.930. or “Making It Work: Implementing the Lead Safe Housing Rule” – Part III, Chapter 3 available on HUD’s website at [www.hud.gov/offices/lead](http://www.hud.gov/offices/lead).
- **Visual Assessment:** A visual inspection of interior and exterior surfaces to identify specific conditions that may be lead-based paint hazards. A visual inspection does not identify lead-based paint. The assessment must be performed by a person trained in visual assessment. Training for visual assessment is available on HUD’s website at [www.hud.gov/offices/lead](http://www.hud.gov/offices/lead) and refer to the pages that list training resources.

#### **Ineligible Costs and Work**

- ❖ Routine maintenance or general repairs that don’t address an imminent threat to health, safety, and welfare of the occupants, and or accessibility requirements, are not eligible under the Rehabilitation Program

#### **Loan Assistance Terms**

- ❖ **Standard Homeowner Loan:** Each owner-occupied dwelling unit is eligible for a minimum assistance of \$25,000.01 and a maximum assistance up to \$90,000 that includes the loan and deferred payment loan amounts only. The applicant will be responsible for obtaining funds in excess of the \$90,000 limit. The amount of assistance shall be in the form of an amortized loan and/or forgivable deferred payment loan. All loans and/or deferred payment loans are to be secured by a Builder's and Mechanic's Lien Agreement and Deed of Trust (with Power of Sale).

The loan amount will be calculated using a maximum housing cost ratio of 35% of the applicant's gross monthly income. (The applicant's housing cost is the monthly mortgage payments, taxes, insurance (PITI), plus utilities. This amount is divided by the applicant's gross monthly income to determine the actual housing cost ratio percentage).

- ❖ **Amortized Loan:** The amount that will be payable on a monthly basis is the portion that falls within the 35% housing cost ratio. This amount will be in the form of a 0% interest loan amortized up to twenty (20) years. The first payment will be due the first day of the month following 90 days from the completion of the project. The Program requires the applicant to execute a Note(s) in the amount of the amortized loan and/or the forgivable deferred payment loan. A recorded Deed of Trust places a lien on the property. After reconciliation of the loan, any adjustments to the Note will be memorialized in a memo to file that will be added to the financial file and a copy attached to the servicing of loan packet.
- ❖ **Forgivable Deferred Payment Loan:** The portion of the loan amount that is above the 35% housing cost ratio, will be deferred and due upon the sale, lease, or transfer of ownership. The forgivable deferred payment loan will be for a term up to twenty (20) years at zero percent (0%) interest. The forgivable deferred payment loan shall state that up to 1/20th each year will be forgiven if the property remains as the applicant's principal residence. The outstanding balance on the indebtedness must be repaid to the City if the property is sold, leased, transferred, or it ceases to be the principal residence of the borrower(s). The Program requires the borrower(s) to execute a Forgivable Deferred Payment Loan Note and a recorded Deed of Trust that places a lien on the property. After reconciliation of the loan, any adjustments to the Note will be memorialized in a memo to file that will be added to the financial file and a copy attached to the servicing of loan packet.

#### **Other Loan Terms**

- ❖ **Loan to Value:** The property to be rehabilitated must be appraised in accordance with CFR 92.254 Qualifications as Affordable: Homeownership which states that the property rehabilitated under the program may not exceed more than 95% of the median purchase price for the area. Such median purchase price for the area will be in accordance with HUD and may vary on a yearly basis. to determine whether the project is economically feasible for rehabilitation.

- ❖ **Loan Recapture:** The maximum loan payment amount is limited to the net proceeds from sale received by the borrower. A detailed description of the loan recapture process is noted in the Community Development Annual Action Plan.

## **Reconstruction – HOME**

The Home Investment Partnerships (HOME) Program aids eligible homeowners for the purpose of bringing a dwelling unit into compliance with the provisions of the International Residential Codes as adopted by the City. Reconstruction is a form of rehabilitation that consists of rebuilding a housing unit, that was determined to be beyond repair for rehabilitation, on the same lot in which such housing unit stands. Reconstruction is managed in the same manner as Rehabilitation but involves a complete rebuild of a home. Program assistance will involve the demolition of the existing substandard dwelling unit and construction of a new home based on the specifications provided and approved by the Housing Programs Division of DCHD.

### **Program Terms**

DCHD will determine if an applicant's home is beyond repair which involves demolishing the old home and rebuilding a new home on the same lot provided that the number of units are not altered.

- ❖ Assistance for addressing conditions that pose an imminent threat to the health safety and welfare of the occupants and exceeds the \$90,000.00 rehabilitation threshold. The maximum assistance cap for reconstruction is calculated based on a formula provided by HUD.
- ❖ Value of HOME assisted property after rehabilitation must not exceed 95% of the median purchase price for the area, as published by HUD, or, in accordance with the Final Rule, as determined locally through market analysis.
- ❖ The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased.
- ❖ Applicant(s) is required to maintain both homeowners' insurance and flood insurance for the entire affordability period. Proof of active coverage must be submitted annually. Failure to provide this documentation may result in non-compliance with program requirements.

### **Economic Feasibility Criteria**

The application shall be deemed infeasible for assistance, if it is determined that more than the maximum assistance amount as determined by HUD will be necessary to correct all code violations and items requiring rehabilitation. Applicant may be required to supplement the costs with private funds, in order to make such structure feasible for reconstruction. If the applicant is unable to secure the required supplemental amount, the project will be deemed in-feasible, and the application will be cancelled.

- ❖ Under certain circumstances, the applicant may supplement funds with private funds, in order to make such structure feasible for reconstruction. The source of the private funds will be evaluated by the Housing Programs Division to ensure affordability; or



- ❖ If a property is physically and/or financially infeasible for rehabilitation, reconstruction of the dwelling unit may be authorized.

### **Eligibility Requirements**

- ❖ Applicants must be at or below the area median income (80% AMI).
- ❖ Property's condition must pose threat to the health and safety of occupants.
- ❖ Property is in violation of International Residential Codes as adopted by the City of El Paso, State, and Federal regulations.
- ❖ Property located in the City of El Paso, beyond repair or rehabilitation and deemed uninhabitable.

### **Eligible Costs and Work**

#### **Hard Costs**

- ❖ Reconstruction costs over \$90,000.00 for the purpose of bringing a dwelling unit into compliance with the provisions of the International Residential Codes, standards, and ordinances
- ❖ Exterior façade improvements in accordance with HUD's neighborhood focus
- ❖ Historic Preservation Requirements
- ❖ Essential Safety improvements
- ❖ Energy-related improvements
- ❖ Initial lead-based inspection
- ❖ Lead-based paint hazard reduction, asbestos, and mold abatement and/or encapsulation
- ❖ Accessibility for disabled persons
- ❖ Repair or replacement of major housing systems
- ❖ Incipient repairs and general property improvements of a non-luxury nature
- ❖ Site improvements and utility connections

#### **Soft Costs**

- ❖ Financing fees
- ❖ Credit reports
- ❖ Title binders and insurance
- ❖ Recordation fees, transaction taxes

- ❖ Legal and accounting fee
- ❖ Appraisals
- ❖ Architectural/engineering fees, including specifications and job progress inspections
- ❖ Project costs incurred that are directly related to a specific project
- ❖ Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable.

### Lead Based Paint Hazards

Federal regulations (24 CFR 35) require the actions be taken to reduce lead-based paint hazards in any project receiving federal funds.

<b>SUMMARY OF LEAD-BASED PAINT REQUIREMENTS FOR REHABILITATION (24 CFR 35)</b>			
<b>Total Project Cost</b>	<b>&lt;\$5,000</b>	<b>\$5000 - \$25,000</b>	<b>&gt;\$25,000</b>
<b>Approach to Lead Hazard</b>	Do no harm	Identify and control lead hazards	Identify and abate lead hazards
<b>Notification to Residents</b>	a) Pamphlet b) Notice of lead hazard reduction	a) Pamphlet b) Notice of lead hazard evaluation c) Notice of lead hazard reduction	a) Pamphlet b) Notice of lead hazard evaluation c) Notice of lead hazard reduction
<b>Lead Evaluation or Visual Assessment</b>	Paint testing of surfaces to be disturbed	Paint testing and risk assessment	Paint testing and risk assessment
<b>Lead Hazard Reduction</b>	Repair surfaces disturbed during rehabilitation. Safe work practices & occupant protection Work must be performed by personnel with proper training or supervision.	Interim controls. Safe work practices & occupant protection Work must be performed by personnel with proper training or supervision.	*Abatement of hazards & surfaces disturbed by rehabilitation. Safe work practices & occupant protection Work must be performed by personnel with proper training, supervision, and certification.
<b>Clearance</b>	Clearance is required following abatement, interim controls, and paint stabilization (unless area stabilized is less than de minimis level)		

- ❖ **\*Abatement of Lead Hazards & Surfaces Disturbed by Rehabilitation:** All painted surfaces to be disturbed during rehabilitation found to be lead-based paint and lead hazards identified by the

risk assessment must be abated, EXCEPT interim controls may be used on lead hazards on exterior surfaces that will not be disturbed during rehabilitation.

#### ❖ **Definitions of Selected Key Terms**

- **Abatement:** Measures to permanently control (i.e., 20 years or more) lead-based paint or lead-based paint hazards. EPA regulations exclude from the definition of abatement “renovation, remodeling, landscaping or other activities, when such activities are not designed to permanently eliminate lead-based paint hazards, but instead are designed to repair, restore, or remodel a given structure or dwelling, even though these activities may incidentally result in a reduction or elimination of lead-based paint hazards.” [40 CFR 745.223]
- **Clearance Examination:** Clearance is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust samples, and preparation of report. The certified risk assessor, paint inspector, or lead sampling technician performing clearance must be independent from the entity/individual conducting paint stabilization or hazard reduction.
- **Lead Safe Work practices:** Workers must follow safe work practices and occupant protection as outlined in 24 CFR 35.1350.
- **Paint Testing:** Testing of specific surfaces, by XRF (x-ray fluorescence) or lab analysis, to determine the lead content of these surfaces, performed by a certified lead-based paint inspector or certified risk assessor.
- **Presumption:** Assuming that a painted surface to be disturbed contains lead-based paint rather than having this surface tested for the presence of lead. For more information see 24.CFR 35.930. or “Making It Work: Implementing the Lead Safe Housing Rule” – Part III, Chapter 3 available on HUD’s website at [www.hud.gov/offices/lead](http://www.hud.gov/offices/lead).
- **Visual Assessment:** A visual inspection of interior and exterior surfaces to identify specific conditions that may be lead-based paint hazards. A visual inspection does not identify lead-based paint. The assessment must be performed by a person trained in visual assessment. Training for visual assessment is available on HUD’s website at [www.hud.gov/offices/lead](http://www.hud.gov/offices/lead) and refer to the pages that list training resources.

#### **Other Considerations**

Reconstruction may include the following types of assistance such as Accessibility (occupants only), Energy Conservation, Lead and Asbestos Abatement, and Historic Preservation.

- ❖ **Accessibility:** To include written assessment and recommendations by a Licensed Occupational Therapist regarding accessibility needs (for occupants only)

- ❖ **Abatement:** Lead, Asbestos and Mold Abatement/Encapsulation (includes inspection, risk assessment, project design and lead clearance)
- ❖ **Relocation Assistance:** To include temporary housing during the reconstruction process and timeline.

### **Ineligible Costs and Work**

Routine maintenance or general repairs that don't address an imminent threat to health, safety, and welfare of the occupants, and/or accessibility requirements, are not eligible under the Reconstruction Program.

### **Loan Assistance Terms**

- ❖ **Standard Homeowner Loan:** Each owner-occupied dwelling unit is eligible for a minimum assistance of \$90,000.00 and a maximum assistance as determined by formula provided by HUD that includes the loan and deferred payment loan amounts only. The applicant will be responsible for obtaining funds in excess of the limit determined by HUD. The amount of assistance shall be in the form of an amortized loan and/or forgivable deferred payment loan. All loans and/or deferred payment loans are to be secured by a Builder's and Mechanic's Lien Agreement and Deed of Trust (with Power of Sale).

The loan amount will be calculated using a maximum housing cost ratio of 35% of the applicant's gross monthly income. (The applicant's housing cost is the monthly mortgage payments, taxes, insurance (PITI), plus utilities. This amount is divided by the applicant's gross monthly income to determine the actual housing cost ratio percentage).

- ❖ **Amortized Loan:** The amount that will be payable on a monthly basis is the portion that falls within the 35% housing cost ratio. This amount will be in the form of a 0% interest loan amortized up to twenty (20) years. The first payment will be due the first day of the month following 90 days from the completion of the project. The Program requires the applicant to execute a Note(s) in the amount of the amortized loan and/or the forgivable deferred payment loan. A recorded Deed of Trust places a lien on the property. After reconciliation of the loan, any adjustments to the Note will be memorialized in a memo to file that will be added to the financial file and a copy attached to the servicing of loan packet.
- ❖ **Forgivable Deferred Payment Loan:** The portion of the loan amount that is above the 35% housing cost ratio, will be deferred and due upon the sale, lease, or transfer of ownership. The forgivable deferred payment loan will be for a term up to twenty (20) years at zero percent (0%) interest. The forgivable deferred payment loan shall state that up to 1/20th each year will be forgiven if the property remains as the applicant's principal residence. The outstanding balance on the indebtedness must be repaid to the City if the property is sold, leased, transferred, or it ceases to be the principal residence of the borrower(s). The Program requires the borrower(s) to execute a Forgivable Deferred Payment Loan Note and a recorded Deed of Trust that places a lien on the

property. After reconciliation of the loan, any adjustments to the Note will be memorialized in a memo to file that will be added to the financial file and a copy attached to the servicing of loan packet.

### **Other Loan Terms**

- ❖ **Loan to Value:** The property to be rehabilitated must be appraised in accordance with CFR 92.254 Qualifications as Affordable: Homeownership which states that the property rehabilitated under the program may not exceed more than 95% of the median purchase price for the area. Such median purchase price for the area will be in accordance with HUD and may vary on a yearly basis. to determine whether the project is economically feasible for rehabilitation.
- ❖ **Loan Recapture:** The maximum loan payment amount is limited to the net proceeds from sale received by the borrower. A detailed description of the loan recapture process is noted in the Community Development Annual Action Plan.

### **Relocation Assistance**

Payment for relocation costs may be issued to those clients (property owners) whose home will be rehabilitated using Federal Funds, who are identified as low-to-moderate income or below and are proven to need financial assistance to cover relocation related expenses. Relocation payments are not considered income.

### **Program Terms**

- ❖ An interview to screen the client and determine which relocation services need to be provided to the client (advisory and/or payment for relocation expenses).
- ❖ Qualifying Rehabilitation and Reconstruction clients may receive payment for actual expenses or a fixed payment not to exceed \$3,000.00 or a combination of both. The payment amount and form of payment will be determined based on the client needs identified by HPS during the initial interview. Estimates may be requested.
- ❖ Eligible actual residential moving expenses [as noted on 49 CFR 24.301(g) (1-10)] may be covered on Homeowner Occupied Rehabilitation and Reconstruction projects in which Federal Funds are used. Expenses include, but are not limited to:
  - Rent/lodging (hotel/motel)
  - Security deposits
  - Storage
  - Moving expenses

### **Client Eligibility**

- ❖ Applicants must be at or below low-to-moderate income of the area median income (80% AMI).

- ❖ Applicants benefitting from the City of El Paso Single-Family Owner-Occupied Renovation Program.
- ❖ Applicants who indicate a need for relocation assistance by the city.

### **Client Screening**

An initial counseling session will be held with the Head of Household or representative, and City staff as soon as it is determined by the Housing Programs Specialist (HPS) that relocation assistance should be provided. Please note that final approval of the project is contingent upon a formally executed Three-Party Agreement. The names of the Head of Household and all occupants, along with the address and phone number will be forwarded to HPS who will review the family's income and other information to identify their needs and identify the best assistance options to meet those needs. The HPS must obtain the following information during the initial interview:

- ❖ Household Information
- ❖ Number of household members and composition
- ❖ Accessibility Needs
- ❖ Rental Needs
- ❖ The Head of Household or representative must identify whether the family will stay with relatives during renovation or if the family will be leasing a house or apartment. If undecided at the time of the initial screening, the client must provide this information within 14 days.
- ❖ Availability of funds (other than those provided by the City for relocation expenses)
- ❖ Preferred location
- ❖ Distance to school and/or employment locations
- ❖ Distance to hospitals, clubs, church, etc.
- ❖ Family transportation needs
- ❖ Other information provided by the Head of Household and/or Representative

### **Construction Procedures**

Homeowners will be held to certain responsibilities within this voluntary program, including but not limited to:

- ❖ Attendance of Homeowner Progress Inspections
- ❖ Insurance Claim Proceeds
- ❖ Payment of Utilities
- ❖ Preparing Property for Repairs

### **Attendance of Homeowner Progress Inspections**

Periodic progress inspections will be scheduled at least (5) business days in advance and the homeowner is required to attend these meetings.

Homeowner Progress Inspections are conducted to keep homeowners informed about the status of construction and anticipated move-back date. During these inspections, homeowners will be notified of any circumstances that have caused or may cause construction delays beyond the initial Notice to Proceed (NTP) completion date.

### **Insurance Claim Proceeds**

If an insurance check is issued for property damages while the property is under the loan term, the homeowner must use the funds for necessary repairs. DCHD may require approval of the repair plan before releasing the funds.

The City of El Paso and its contractors **are not liable** for theft or damage to a homeowner's personal belongings. Liability for such incidents will be governed by the terms of the moving and storage contract between the homeowner and the organization providing such service.

### **Payment of Utilities**

Homeowners shall be responsible for payment of their utility bills (gas, electricity, water etc.), which must be current and remain current until the work has been completed.

### **Preparing the Property for Repairs**

Homeowners will have up to **30 calendar days** to prepare their property for program assistance. If a homeowner is unable to complete the necessary preparations within this timeframe, the City may grant an additional two-week extension if deemed necessary.

Failure to timely prepare the property for rehabilitation or demolition, including proper utility management, may delay the start of work and could result in the homeowner being administratively withdrawn from the program.

### **Death of the Homeowner**

This section outlines the procedures and responsibilities in the event of a Homeowner's death while receiving assistance under the Single-Family Owner-Occupied Renovation Program.

#### **Before Construction (Before Execution of the Three-Party Agreement)**

If a Homeowner receiving any assistance becomes deceased before the Three-Party Agreement is executed and there is a Co-Applicant, then the Co-Applicant shall continue their responsibilities under the program's guidelines, including any applicable Affordability Period.

If a Homeowner receiving any assistance becomes deceased before the Three-Party Agreement is executed and there is not a Co-Applicant, the application will be withdrawn. If program funds are

available and the application process remains open, the surviving heir(s) may apply to participate in the program.

#### **During Construction (After Execution of the Three-Party Agreement)**

If a Homeowner receiving any assistance becomes deceased after the Three-Party Agreement is executed and there is a Co-Applicant, then the Co-Applicant shall continue their responsibilities under the program's guidelines, including any applicable Affordability Period.

If a Homeowner receiving any assistance becomes deceased after the Three-Party Agreement is executed and there is not a Co-Applicant, then the surviving heir(s) may request one of two options:

- ❖ Payoff of the Forgivable Loan, or
- ❖ Assumption of the Forgivable Loan

#### **Payoff of the Forgivable Loan**

The surviving heir(s) may pay off the remaining loan amount according to the terms established in the Deed of Trust and Promissory Note, as may be modified by Change Orders or amended. If applicable, a Release of Lien will be processed after the payoff is complete.

#### **Assumption of the Forgivable Loan**

The heir(s) may submit a request to DCHD for loan assumption. If deemed eligible by DCHD, the heir(s) may assume the original loan terms, provided they:

- ❖ Demonstrate proof of inheritance and clear title to the property,
- ❖ Agree to reside in the property as their principal residence for the remainder of the Affordability Period,
- ❖ Execute a Loan Assumption and Modification Agreement, an Amended and Restated Deed of Trust, and any other required legal documents as determined by the Director in consultation with the City Attorney, and
- ❖ The surviving heir(s) shall be responsible for all insurance and property maintenance costs.

If the surviving heir(s) do not elect either of the options above, the City may foreclose on the property or pursue other legal remedies.

#### **After Construction (After Execution of the Acceptance Form and During Affordability Period)**

If a Homeowner receiving assistance becomes deceased after the Acceptance Form is executed, but before the end of the applicable Affordability Period, and there is a Co-Applicant, then the Co-Applicant shall continue their responsibilities under the program's guidelines, including the applicable Affordability Period.

If a Homeowner receiving assistance becomes deceased after the Acceptance Form is executed, but before the end of the applicable Affordability Period, and there is not a Co-Applicant, then the City may



collect the assistance provided at the time the property is sold, leased, transferred, or ceases to be the principal residence of the borrower(s) or forgive the Forgivable Loan.

## HOME-American Rescue Plan (HOME-ARP)

### Program Overview

The HOME-American Rescue Plan (HOME-ARP) Program, funded through HUD, provides the City of El Paso with targeted resources to reduce homelessness and housing instability among vulnerable populations. The program is designed to support housing development and services that respond directly to the most urgent needs identified in the community.

Administered by DCHD, HOME-ARP funding must be used to assist individuals and families who meet one or more of HUD's qualifying population definitions, including:

- ❖ Individuals and families experiencing homelessness
- ❖ Those at risk of homelessness
- ❖ Survivors of domestic violence, dating violence, sexual assault, stalking, or human trafficking
- ❖ Other populations at greatest risk of housing instability

Veterans and veteran households who meet one of the above criteria

The City of El Paso has prioritized HOME-ARP funding across three core eligible activity categories:

- ❖ Supportive Services
- ❖ Tenant-based rental Assistance (TBRA)
- ❖ Affordable Rental Housing

These policies and procedures establish the framework for how HOME-ARP activities will be implemented locally, including eligibility requirements, application procedures, compliance standards, and performance expectations. All funded activities must align with federal guidance (Notice CPD-21-10), local housing goals, and data-driven priorities identified in the City's Community Needs Assessments (CNA) and Consolidated Plan.

In instances where these HOME-ARP policies and procedures do not provide specific guidance or operational detail, DCHD will default to HUD guidelines for HOME entitlement.

### Supportive Services

The Supportive Services category under the HOME-ARP Program is designed to provide a comprehensive, trauma-informed array of services that promote housing stability, reduce barriers to permanent housing, and enhance well-being for individuals and families within HUD's qualifying populations. All services are required to comply with the definitions and requirements set forth in HUD

CPD Notice 21-10 and 24 CFR 92.209. Services focus on supporting housing retention, financial stability, and self-sufficiency.

### **Eligible Activities**

Supportive Services include, but are not limited to, those authorized by 24 CFR 92.209 and as outlined in CPD Notice 21-10. These services may include case management (housing-focused and strength-based) per 24 CFR 578.53(e)(3); mental and physical health services, including outpatient treatment, under 24 CFR 578.53(e)(10); substance use disorder treatment and recovery support; legal services (eviction defense, benefits advocacy) in line with 24 CFR 578.53(e)(8); financial literacy, credit repair, and budget counseling; employment readiness and job training per 24 CFR 578.53(e)(7); childcare services per 24 CFR 578.53(e)(4); transportation services covering public transit, mileage, and limited vehicle assistance under 24 CFR 578.53(e)(9); services for survivors of domestic violence, dating violence, sexual assault, stalking, and human trafficking in compliance with VAWA requirements at 24 CFR 5.2005–5.2009; and street outreach and engagement focusing on housing navigation.

Programs are required to incorporate trauma-informed practices with staff trained to recognize the impact of trauma in accordance with HUD's principles.

### **Program Implementation Requirements**

Agencies must serve households that meet HUD's qualifying population definitions, with verification and documentation procedures conforming to HUD's standards under 24 CFR 91.5 and CPD Notice 21-10. Programs must operate within the City of El Paso municipal limits and maintain strict client confidentiality per 24 CFR 5.2007, particularly for survivors of violence or trafficking. All data entry must be made into the Homeless Management Information System (HMIS) as required by 24 CFR 91.105 and 24 CFR 91.115, or into a comparable database in the case of domestic violence providers per VAWA standards.

**Each agency must submit a detailed, site-specific budget for multi-site programs and ensure that reimbursable staff time covers only direct service activities, as governed by 2 CFR Part 200, Subpart E, with administrative and overhead costs clearly delineated.** Agencies are required to maintain operational reserves sufficient to cover at least 3 months of expenses while reimbursement is pending and must demonstrate capacity to comply with the financial requirements outlined in 24 CFR 92.504.

Agencies are also expected to coordinate with community partners to avoid duplication of services and to maximize leverage, consistent with HUD's cross-program coordination expectations.

## **Performance Goals**

Agencies must document the number of unduplicated individuals and households served, the units and types of services provided, and the outcomes achieved in housing stability, income improvements, and engagement in services. Recordkeeping must follow 24 CFR 92.508. Failure to meet contractual performance targets, as monitored under 24 CFR 92.504, may trigger corrective action plans, reimbursement holds, or render the agency ineligible for future funding.

## **Tenant-Based Rental Assistance (TBRA)**

### **Program Introduction**

The HOME-ARP Tenant-Based Rental Assistance (TBRA) Program in El Paso provides up to 24 months of rental assistance, security deposits, and utility deposits to income-eligible households from HUD-defined qualifying populations, with a preference for those fleeing domestic violence. Supportive services are encouraged to promote housing stability.

### **Program Activities**

Eligible activities:

- ❖ Up to 24 months of rental assistance
- ❖ Security and utility deposits
- ❖ Housing inspections
- ❖ Determination of income eligibility

Ineligible activities:

- ❖ Rental arrears
- ❖ Assistance to homeowners
- ❖ Temporary shelter
- ❖ Duplicate subsidy
- ❖ Assistance beyond 24 months

### **Participant Selection**

Eligible participants must be part of the HUD-defined qualifying populations and meet income limits. Applicants will be selected through a transparent and fair process based on the policies outlined in the NOFA. A preference may be given to individuals fleeing domestic violence, dating violence, stalking, or human trafficking.

## Parameters of Assistance

- ❖ Maximum duration of assistance: 24 months
- ❖ Payment standard: based on HUD's FMR and rent reasonableness
- ❖ Minimum tenant contribution: \$25 per month unless hardship waiver is granted
- ❖ Lease and unit must meet Housing Quality Standards (HQS)
- ❖ Assistance may be terminated for noncompliance or fraud

## Income Eligibility

For TBRA, income eligibility is determined as follows:

- **Initial Eligibility:** Households must have an annual income that does not exceed 60% of the Area Median Income (AMI) at the time of program entry.
- **Ongoing Eligibility:** If a household's income increases above 60% but remains below 80% of AMI during recertification, they may continue to receive assistance, subject to program policies.

These guidelines ensure that assistance is targeted to households in need while allowing for some income growth over time.

## Determining Income Limits

To determine the specific income limits applicable to your area, including El Paso, Texas, you can refer to HUD's official income limits data:

- **HUD Income Limits:** <https://www.huduser.gov/portal/datasets/il.html> HUD User

This resource provides detailed income limits by area and family size, updated annually [HUD User](#).

For more detailed guidance on income eligibility and other program requirements, you may consult the following HUD resources:

- **HOME-ARP Income Limits:** [https://www.hudexchange.info/resource/6499/home-arp-income-limits/HUD Exchange](https://www.hudexchange.info/resource/6499/home-arp-income-limits/HUD%20Exchange)
- **HOME-ARP TBRA Fact Sheet:** <https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP-TBRA-Fact-Sheet.pdf>

## Housing Selection and Occupancy Standards

Participants may choose any eligible unit in El Paso. HQS inspections are required before move-in and annually. Occupancy standards must comply with HUD requirements.

## Leasing Documents

Leases must:

- ❖ Be for at least one year
- ❖ Not contain prohibited lease terms

- ❖ Be accompanied by a TBRA Lease Addendum

#### Rental Assistance Payment Contracts:

- ❖ Between landlord and subrecipient
- ❖ Between subrecipient and tenant

#### Reports

##### Subrecipients must:

- ❖ Submit monthly reimbursement claims
- ❖ Include IDIS reporting forms, general ledger, and receipts
- ❖ Maintain documentation for five years

#### Monitoring and Compliance

DCHD will monitor subrecipient compliance through desk reviews and onsite visits. Corrective action may be required if findings are issued. Noncompliance can lead to reallocation of funds.

#### Other Federal Requirements

- Audit if over \$750,000 in federal funds used
- Lead-based paint compliance
- Fair housing and nondiscrimination
- VAWA protections must be upheld
- Equal access for LGBTQ+ individuals

#### Affordable Rental Housing

The Affordable Rental Housing component of the HOME-ARP Program supports the acquisition, rehabilitation, or new construction of housing for qualifying populations and lower-income residents in El Paso. This activity aims to address the city's shortage of affordable units and ensure long-term housing stability through regulated rents, occupancy standards, and tenant protections.

#### Eligible Activities and Funding Uses

##### Eligible activities include:

- ❖ Acquisition, rehabilitation, or construction of multi-family or scattered-site affordable rental housing
- ❖ Development hard costs
- ❖ Refinancing
- ❖ Soft costs associated with the housing development

- ❖ Relocation costs

*Detailed information of eligible costs may be found in 24 CFR 92.206 and 24 CFR 92.353.*

Funds may only be invested in units restricted for qualifying or low-income households. At least 70% of HOME-ARP-assisted units must be reserved for qualifying populations.

### **Project Development and Compliance Requirements**

Requirements include:

- ❖ All HOME-ARP units must meet property standards under 24 CFR 92.251
- ❖ Units must be rented within 6 months of project completion
- ❖ Rent for qualifying population units must not exceed 30% of income for households at 50% AMI
- ❖ Rent for low-income units must follow 24 CFR 92.252 guidelines
- ❖ Units must remain compliant for a minimum 15-year affordability period
- ❖ The City must be named as loss payee on required property insurance
- ❖ On-site inspections will occur within 12 months post-completion and at least once every 3 years

### **Financing and Affordability**

The City provides gap financing. Applicants must explore all alternative funding (LIHTC, state funds, etc.) prior to applying. Financing terms may include forgivable or amortized loans with 0% interest, depending on project benefit, leveraging, and feasibility. Excess cash flow from HOME-ARP-assisted units must be factored into the project underwriting and returned to the City where applicable. All HOME-ARP funds will be reimbursed based on eligible expenses.

### **Applicant Eligibility and Local Requirements**

Applicants must:

- ❖ Be private investors, public agencies, or CHDOs
- ❖ Demonstrate administrative and financial capacity
- ❖ Be current on all property taxes
- ❖ Have site control and zoning compliance
- ❖ Be in good standing with DCHD

- ❖ Submit a Phase I Environmental Assessment (ASTM E1527-13)
- ❖ Avoid committing funds prior to environmental clearance

## **Federal, State, & Local Requirements**

### **Local Authority to Establish Additional Requirements**

DCHD has the authority to establish local funding guidelines in addition to federal and state requirements. These local requirements, including Policies and Procedures, are developed by DCHD staff and approved by City Council to ensure that funding allocations align with community needs, promote financial responsibility, and enhance the effectiveness of funded programs.

Organizations and clients who apply for funding must meet all applicable federal, state, and local eligibility requirements. Federal requirements are determined by HUD, while local guidelines, including Policies and Procedures, are developed by DCHD staff and approved by City Council.

### **Federal & State Requirements**

#### **Americans with Disabilities Act (ADA) and Historic Preservation**

Applicants must comply with all City Codes, including federal, state, and local Americans with Disabilities Act (ADA) and historic preservation requirements.

#### **Authority to Apply**

Applicants must submit written minute action and/or Board approval documentation, signed by the Board President, authorizing the submission of the application and designating the authorized representative.

#### **Authorized Signatory**

Applicants must submit approved documentation (e.g., Board minute action or letter) certifying the individual authorized to sign contracts on behalf of the organization.

#### **Unique Entity ID & System of Award Management (SAM) Verification**

Applicants must provide their Unique Entity ID and SAM.gov record status to confirm eligibility and debarment status before funding consideration. DCHD will recertify compliance before executing any contract.

#### **Environmental Impact Statement (EIS)**

Is known to be the highest level of review and is required after the completion of an Environmental Assessment (EA) that shows the project is determined to have a potentially significant impact on the human environment. EIS are activities that are neither exempt nor categorically excluded, which exceed the threshold of activities requiring an Environmental Assessment (EA).

#### **Employer Identification Number (EIN)**

Applicants must provide a Federal Tax ID Number (EIN) required for tax reporting, hiring employees, opening a bank account, and applying for business licenses and permits.

### **Fair Housing Act Compliance**

Applicants must comply with:

- ❖ The Fair Housing Act
- ❖ Executive Order 11063 (Equal Opportunity in Housing)
- ❖ The Civil Rights Act of 1964
- ❖ The Age Discrimination Act of 1975
- ❖ Executive Order 11246 (Equal Employment Opportunity)

Agencies operating programs or services in DCHD-funded facilities must develop and implement Affirmative Marketing Policies and Procedures to ensure housing availability without discrimination based on actual or perceived sexual orientation, gender identity, or marital status.

### **Faith-Based Organizations**

Faith-based organizations applying for funding must comply with HUD's Final Rule (effective October 30, 2003, as amended). Refer to Attachment I for details.

### **Households and Persons Served**

Applicants must provide the number of households and persons served under each awarded program or project.

For programs serving homeless individuals, applicants must also collect race, ethnicity, and age data to facilitate analysis of disparities and promote equitable service delivery.

### **Lobbying Restrictions**

Under *Section 1352, Title 31, U.S. Code*, federal funds may not be used to influence:

- ❖ Any federal agency employee or officer
- ❖ A member of Congress or their staff
- ❖ Any federal contract, grant, loan, or cooperative agreement

If non-federal funds are used for lobbying, applicants must complete and submit *Standard Form-LLL* (Disclosure Form to Report Lobbying).

### **Procurement Guidelines**

- ❖ **A Procurement Guidelines** - Applicants must follow federal procurement rules, along with all applicable state and local requirements, when purchasing services, supplies, materials, or equipment with DCHD-awarded funding. Below is a summary of the most current federal



procurement methods. Applicable federal regulations are contained in 2 CFR Part §200.320 Procurement Methods, Chapter 252 of the Texas Administrative Code, and City of El Paso local requirements.

**The following Procurement Methods will be applied:**

- ❖ **Low-Bid** – Applicable for purchases estimated at \$50,000.00 or more. Low-bid sections are based on the lowest priced bid and not best value offered.
- ❖ **Competitive Sealed Bids** – Bids are publicly solicited through an invitation and a firm fixed-price contract is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price. The sealed bids procurement method is preferred for procuring construction services.
- ❖ **Best Value Bid** – This is Applicable for purchases estimated at \$50,000.00 or more. Best value bid selections are based on a combination of qualifications, quality, and price. DCHD, in collaboration with the City of El Paso’s Purchasing and Strategic Source Department, will select the factors that will determine the best value bid.
- ❖ **Request for Proposal (RFP)** – Applicable to purchases where the DCHD, in coordination with the Department of Purchasing, seeks the best value offered by a responsive and responsible proposer. Best value bid factors may include but are not be limited to:
  - Purchase price
  - Reputation of bidder
  - Quality of bidder’s services
  - Extent to which bidder’s services fit City’s needs
  - Past relationship with the City
  - Impact on owner to comply with laws & rules relating to Historically Underutilized Businesses (HUB’s) and nonprofit organizations that employ persons with disabilities;
  - Long-term costs to owner (Cost of Ownership)
  - Employee Medical Benefits
  - Any other relevant factors.
- ❖ **Competitive Sealed Proposals** – DCHD may conduct Competitive Sealed Proposals for constructions projects when deemed necessary and contracts awarded to the responsible proposer deemed to be the most advantageous for DCHD based on price and the evaluation factors included in the Request for Proposal.
- ❖ **Request for Qualifications (RFQ)** – DCHD will may conduct RFQs when soliciting professional services where certain specialized qualifications are required. Such professional services may include but not be limited to: certified public accountants, architects, landscape architect, land

surveyor, physicians, optometrists, professional engineer, and state certified real estate appraiser.

- ❖ **Job Order Contracting (JOC)** – Applicable to awards where construction projects with a specific set of task orders are assigned to construction general contractor upon being awarded through a competitive process.

### **Indirect Costs Allowance**

Under 2 CFR § 200.56, *Indirect (Facilities & Administrative) Costs* are defined as costs that are incurred for a common or joint purpose and cannot be readily assigned to a specific project, activity, or cost objective without considerable effort.

These costs typically include:

- ❖ General administration (e.g., accounting, legal, human resources)
- ❖ Office space rent and utilities
- ❖ IT support and maintenance
- ❖ Depreciation of buildings and equipment
- ❖ Other overhead expenses not directly tied to a single program or project

Applicants may include Indirect Costs in program budgets using one of the following methods:

### **De Minimis Rate**

- ❖ If awarded funding, agencies may apply 15% of total expenses per monthly reimbursement request.
- ❖ Agencies using this method must submit a signed memo from their authorized signatory confirming their intent to apply the 15% De Minimis Rate for the grant year.

### **Indirect Cost Allocation Plan**

- ❖ Agencies must submit a current Indirect Cost Agreement from their cognizant federal agency.
- ❖ The agreement must specify the applicable indirect cost rate for reimbursement.

### **Jurisdiction Requirements**

- ❖ Programs, clients, and/or improvements funded by CDBG, HOME, ESG, HHSP, or Home-ARP must be within the City of El Paso.
- ❖ HOPWA-funded subsidized housing must be within City of El Paso city limits, while case management can include County of El Paso Residents.

### **Race and Ethnicity Data Collection Requirement for CDBG**

## CDBG Categories That Require Race and Ethnicity Data Collection:

**Public Services** – Programs providing direct services to individuals, such as:

- ❖ Homeless services
- ❖ Food assistance programs
- ❖ Health and mental health services
- ❖ Childcare programs
- ❖ Senior services

**Housing Activities** – Programs that assist individuals and households, including:

- ❖ Homeowner rehabilitation
- ❖ Down payment assistance
- ❖ Rental housing assistance
- ❖ Lead-based paint hazard reduction

**Economic Development Programs** – When providing direct assistance to microenterprises, small businesses, or individuals benefiting from job creation programs.

**Limited Clientele Activities** – When CDBG funds are used to serve specific groups presumed to be low- and moderate-income (LMI), such as:

- ❖ Elderly individuals
- ❖ Homeless persons
- ❖ Severely disabled adults
- ❖ Abused children
- ❖ Victims of domestic violence
- ❖ Persons living with HIV/AIDS

**Relocation Assistance** – When a program results in displacement and requires relocation services for affected individuals.

### **Units of Service Reporting**

- ❖ Applicants must define and report units of service provided under each funded program.
- ❖ A unit of service must be a direct service provided to a client or on behalf of a client. Units of service are not required for all funding categories.

### **Verification of Non-Profit Status**

Non-profit agencies must submit:

- ❖ The IRS determination letter confirming *501(c)(3) tax-exempt status*
- ❖ A completed and signed Assurance of Applicant Eligibility for Non-Profit Organizations (Refer to Assurance B).

## **Local Requirements**

### **Agency Credit Score Requirement**

Applicants consent to an evaluation of past grant performance conducted by DCHD.

This evaluation assesses:

- ❖ Financial and administrative capacity
- ❖ Compliance with past funding agreements
- ❖ Overall program effectiveness

Past performance impacts funding eligibility and priority, reinforcing the City's commitment to responsible financial stewardship and HUD and TDHCA compliance.

### **Acceptance of Grant Conditions & Terms**

Applicants must submit an Acceptance of Grant Conditions and Terms form, signed by an authorized representative of the applicant, with their application. Refer to Assurance A of this document.

### **Administrative Capacity**

Applicants must demonstrate administrative and financial capacity to fully operate the project. A certified audit covering a period that ends after January 31 of the previous application year must be submitted when applying for the current year. This requirement may be waived for organizations or entities that expend less than \$750,000 in federal funds for the audited year.

Awarded funds are distributed on a reimbursement basis. All agencies, except City Departments receiving funds, must demonstrate the financial capacity to cover project-related costs, including design, construction, and/or operations, for at least three months prior to reimbursement.

### **Certificate of Account Status**

Applicants must provide a *Certificate of Account Status* from the Texas Secretary of State to confirm their legal authorization to conduct business in Texas. Refer to Attachment K for instructions on obtaining this certificate.

### **Completeness Check**

Applications and supporting documentation must be submitted by the respective deadline to be considered for funding. All required supporting documents must be included for an application to be considered complete. Instructions will be provided with the *Notice of Funding Availability (NOFA)*.

## **Compliance with Existing Contracts**

Applicants currently receiving federal funds administered by the DCHD and applying for additional funds must:

- ❖ Be in full compliance with their current contract terms.
- ❖ Have no outstanding audit or monitoring findings as determined by the City or HUD.
- ❖ Maintain good standing throughout the entire program year.

## **Conflict of Interest**

Conflict of Interest regulations are governed by local policies, specific grant requirements, and federal regulations (*2 CFR 200.112*). Applicants must disclose potential conflicts in writing, detailing the nature of the conflict and requesting a resolution.

If a conflict of interest is discovered after funding has been awarded or during the contract period:

- ❖ The subrecipient must promptly notify DCHD in writing, outlining the details of the conflict.
- ❖ DCHD will evaluate the conflict to determine if it affects the integrity of the funded program.
- ❖ Depending on the severity, DCHD may:
  - Require recusal of the individual from decision-making related to the grant.
  - Implement additional oversight or restrictions to mitigate risk.
  - Seek legal or HUD guidance if necessary.
- ❖ If the conflict compromises program integrity, DCHD may take corrective measures, including modifying, suspending, or terminating funding.
- ❖ In some instances, exceptions may be granted if the conflict is deemed manageable and does not violate governing laws or regulations.

Ensuring transparency and timely action helps protect funding integrity and compliance with HUD, TDHCA, and local regulations.

## **Contract Amendments**

- ❖ Amendments will not be allowed within 45 days of the contract's expiration date unless an exception is granted by the DCHD Director.
- ❖ Requests for contract amendments must be submitted in writing on agency letterhead, signed by an authorized signatory, and include a detailed explanation of the circumstances requiring the amendment.

- ❖ Amendments are only considered for circumstances beyond the subrecipient's control, such as natural disasters, government orders, civil unrest, or other extraordinary events. General economic conditions or unanticipated difficulties do not qualify.

### **Contract Execution Readiness**

Subrecipients must submit all required documentation for contract execution before the start of the program year (typically September 1) or as determined by the DCHD(DCHD). Failure to meet this requirement:

- ❖ Will not justify an extension of the contract term.
- ❖ May result in the cancellation, reallocation, or delay of funding.
- ❖ Will impact future award eligibility.

DCHD reserves the right to adjust, defer, defund, or reallocate funding based on project readiness and program needs. Subrecipients must be prepared to execute their contracts as soon as DCHD is ready to proceed with funding to avoid delays.

Required documentation may include, but is not limited to:

- ❖ Applicable insurance policies
- ❖ A finalized budget and scope of work
- ❖ Mode of securing the funding – if applicable
- ❖ Lien documentation – if applicable
- ❖ Timely submission of signatures and other required documentation
- ❖ Letter of Intent specifying terms of the agreement - if applicable
- ❖ Project Concept Form specifying terms of the agreement – if applicable

This policy ensures flexibility for DCHD while reinforcing the need for agencies and developers to be ready to execute when funding becomes available.

### **Ordinance 9779 – Non-Discrimination Against Persons with Disabilities**

All facilities receiving funding from the City must comply with Ordinance 9779, ensuring accessibility for individuals with disabilities. Facilities must be accessible for both employment and service purposes or have an approved transition plan before funding approval.

Applicants must submit the following:

- ❖ Assurance of Compliance with Ordinance No. 9779
- ❖ Accessibility/Letter of Assurance
- ❖ Guidelines/Self-Evaluation for Community Development and City of El Paso Subrecipients

For projects with multiple service locations, a Letter of Assurance must be provided for each site.

### **Homeless Management Information System (HMIS) Participation**

Applicants whose programs serve the homeless population through ESG or HHSP must fully participate in the Homeless Management Information System (HMIS) for the full term of their agreement and required by CFR and §10 TAC 7.6.

The City will verify compliance in consultation with the HMIS Lead Entity. Data on all individuals served must be entered into the appropriate HMIS or an HMIS-comparable database for domestic violence and legal service providers.

### **Relocation Assistance**

In accordance with the City's Anti-Displacement Strategy, projects should avoid displacing low- and moderate-income tenants. If displacement is unavoidable, affected tenants must receive financial and advisory benefits as detailed in the Anti-Displacement Strategy.

Applicants should consult with DCHD staff if displacement or relocation will occur to ensure compliance and to allocate appropriate funds.

### **Suspension of Eligibility to Apply**

An entity whose contract with the City for HUD funding is terminated for cause will be ineligible to apply for HUD funding through the City of El Paso for 24 months from the termination date.

### **Site Suitability**

Applicants must ensure that their project location is appropriately zoned for the proposed activities.

- ❖ A Zoning Verification Letter from the City of El Paso's Planning and Inspections Department is required at the time of application.
- ❖ The letter must be issued within five years of the program year start date and be accompanied by a signed cover letter certifying no substantial changes have occurred.
- ❖ If zoning compliance is in progress, applicants may submit a written workout plan. However, compliance must be achieved before the City Council public hearing introducing the Draft Annual Action Plan.

For projects with multiple service locations:

- ❖ A single letter covering all locations or individual letters for each site will be accepted.
- ❖ Projects that relocate must obtain a new zoning compliance letter.
- ❖ Projects in public schools or City Parks Department facilities are exempt from this requirement.

## Timeliness Requirements

Subrecipients of CDBG Public Services, ESG, HOPWA, HHSP, and other federal funding must maintain a spend-to-time ratio of more than -10%.

Month	1	2	3	4	5	6	7	8	9	10	11	12
% of time passed	8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%
Required % of funding expended	0.00%	6.67%	15.00%	23.33%	31.67%	40.00%	48.33%	56.67%	65.00%	73.33%	81.67%	100.00%

Failure to meet this requirement will trigger a remediation plan submission, detailing compliance strategies. Continued non-compliance may result in funding reduction or contract termination.

Subrecipients failing to expend all funds before the contract expiration date will impact their Agency Credit score and future award eligibility.

## Insurance Coverage

Subrecipients of City of El Paso HUD and TDHCA funding must maintain the following insurance coverage throughout the contracted period of performance:

- ❖ Workers' Compensation Insurance with a minimum coverage of \$1,000,000
- ❖ General Liability Insurance, including a Certificate of Liability Insurance listing the City of El Paso as an additional insured
- ❖ Automobile Insurance, if employees drive for work-related purpose

## Performance Outcomes

The DCHD has implemented a performance measurement system aligned with HUD's Outcome Performance Measurement System to assess the success of awarded projects and report accomplishments at the national level. Additionally, TDHCA grants may also require similar outcome reporting to evaluate project effectiveness and ensure compliance with state funding requirements.

Applicants are required to:

- ❖ Define measurable outcomes that demonstrate the impact and benefits of their projects.
- ❖ Submit a statement explaining the expected outcomes of their projects in their application.
- ❖ Describe the project's impact on individuals, families, organizations, and communities, whether through construction, program participation, or service delivery.

Outcomes should reflect the direct benefits resulting from the project and contribute to HUD's, TDHCA's, and DCHD's broader performance reporting requirements.



# Tentative Schedule

DCHD will release on an annual basis a Tentative Schedule for Upcoming Program Year, which will indicate the tentative dates for key events that will take place as part of the upcoming program year's planning process and will be published on the City of El Paso Community Development webpage. This schedule will include dates for items such as the following:

- ❖ Community Needs Assessment
- ❖ Mandatory training workshops
- ❖ Application deadlines
- ❖ Public hearings
- ❖ City Council meetings

Note that dates stated in the Tentative Schedule for Upcoming Program Year are subject to change. Applicants should contact DCHD staff before any training, application deadlines, or other significant dates for confirmation.

## **Program Review & Scoring Process**

NOTE: Meetings, trainings, workshops, public hearings, and other activities regularly conducted in person, may be conducted virtually at the discretion of DCHD.

## **Mandatory Training Workshops**

A component of the DCHD planning process is a series of mandatory training workshops for all potential subrecipients of HUD funds and TDHCA funds. The applicant designee (i.e., personnel writing, preparing, and/or overseeing application submittal) of the subrecipient department or agency must attend the workshop to be considered for funding.

## **Technical Advisory Review Panel**

Technical Advisory Review Panels (TARPs) will be established to evaluate funding proposals. TARP members may include DCHD staff, other City Department staff, and other subject matter experts as selected by DCHD. TARP will be selected with a primary focus on professional expertise and neutrality (i.e. individuals having no relationship to any of the applicant agencies in the service category being reviewed). All reviewers will be required to sign a Conflict of Interest Disclosure Affidavit. Upon review of the affidavit, DCHD staff will determine if a conflict of interest exists.

## **Agency Credit Score**

The Agency Credit Score is a numerical value assigned to agencies based on their performance history with DCHD, including expenditures, programmatic performance, compliance, and responsiveness. These scores are sent to agencies following the completion of the program year and are also available upon

request by emailing [DCHDservices@elpasotexas.gov](mailto:DCHDservices@elpasotexas.gov). This score operates on a 500-point scale, and DCHD staff will evaluate several key factors when determining it:

- ❖ **Timeliness, Completeness, and Accuracy** - The agency's programmatic and fiscal reporting, including reimbursement requests, must be submitted on time, complete, and accurate. Any delays or inaccuracies will negatively impact the score.
- ❖ **Responsiveness** - The agency's promptness in responding to requests and inquiries from DCHD is crucial. A lack of responsiveness can hinder effective collaboration and will be reflected in the score.
- ❖ **Budget Management** - The agency's ability to execute prior projects within the original, approved budget is essential. Although allowed with managers approval, excessive budget amendments or revisions may indicate poor planning and will adversely affect the score.
- ❖ **Compliance** - A history of compliance concerns or findings identified by DCHD will strongly impact the credit score.
- ❖ **Performance History** - The agency's track record in meeting outcomes, providing units of service, and serving persons and households will be evaluated. Successful deployment of matching funds, if applicable, and a history of timely expenditure of funds are also critical factors.
- ❖ **Contract Execution and Implementation** - The agency's history of executing contracts and implementing them without the need for excessive amendments is important. Timely and efficient contract management demonstrates reliability and will positively influence the score.

These factors collectively form the basis of the Agency Credit Score, reflecting the agency's overall performance and reliability in fulfilling its obligations. Further explanation will follow on Agency Credit score section.

Agency Credit Scores are based on the average performance of previously funded projects under an agency. An agency will be treated as a single entity based on its Unique Entity ID, Employer Identification Number (EIN), leadership, board members, LLC or corporate name, or shared administrators with decision-making power.

This policy ensures agencies cannot avoid responsibility for poor performance or non-compliance by rebranding, changing leadership, or altering their board while continuing the same operations. If a person who held a key leadership role (e.g., CEO or Executive Director) at an agency with a low credit score is later hired as a consultant, their past involvement will still count toward the agency's credit score.

This helps protect public trust and ensures funding goes to organizations with a strong history of responsibility and compliance, even if names, leadership, or structures change.

## **Agency Credit Score and Semi-Automatic Renewal Process**

The Agency Credit Score will be used annually to quantify past performance based on the most recently completed program year. This score serves as a key metric in evaluating an agency's effectiveness and accountability.

As we transition into a new three-year funding cycle beginning in 2026-27, the Agency Credit Score will also play a role in determining eligibility for semi-automatic funding renewals each year. However, since the first year in the new cycle will not be fully completed at the time funding decisions must be made for the following year, an alternative approach will be applied to ensure fair and consistent evaluations.

For programs eligible for semi-automatic renewal, the following standards will apply:

- ❖ **Annual Performance Requirement** - To qualify for continued funding, an agency must have achieved a minimum Credit Score of 350 out of 500 (70%) for the most recently completed program year.
- ❖ **Mid-Year Performance Check** - Agencies must meet a 40% threshold for both spending and programmatic goals by the six-month mark of the current funding year.

These measures ensure that agencies receiving ongoing support maintain strong performance and demonstrate progress toward their programmatic and financial commitments.

## ***CDBG Public Services, HOPWA, ESG, and HHSP Application Process***

The minimum funding amount for a Services project is \$100,000, though lower-budget projects may be made eligible at the discretion of the Director of DCHD to maximize community impact and ensure timely expenditure of HUD funds.

The full application packets, including all required modules, will be provided at the mandatory training workshops only to those agencies that attend. Virtual attendance may be authorized at the discretion of DCHD. The City of El Paso has a fiscal responsibility to ensure that subrecipients selected for funding abide by all rules and regulations established by the Federal government and that they are complying for the entirety of their funding cycles, as this will have a direct effect on the total Federal funds received by the City.

**Funding recommendations are established as follows:**

### **Step 1: Application Submission and Eligibility Review**

DCHD receives and reviews all submitted applications to determine eligibility. Applications are assessed for completeness and compliance with federal, state, and local regulations before advancing to the next phase.

### **Step 2: TARP Review and Preliminary Scoring**

A Technical Advisory Review Panel (TARP) is established to review and evaluate applications, assigning a Preliminary Application Score based on:

- ❖ Past agency performance
- ❖ Proper completion of the application
- ❖ Community impact and need
- ❖ Reasonable cost for personnel and program-related expenses
- ❖ Program eligibility under applicable regulations

For categories where only one application is received, a DCHD staff member reviews the submission for completeness, eligibility, and quality of outcomes.

### **Step 3: Agency Credit Score Utilization**

The Agency Credit Score is developed at the end of the program year based on an agency's compliance, spending rate, and overall performance over the past three funding years. The score reflects an average of all programs funded under the agency, with more recent performance carrying greater weight while older data has less impact. If an agency has not received funding in the past three years, the Agency Credit Score is not used in the evaluation process.

### **Step 4: Development of the Final Preliminary Score**

The Preliminary Score, based solely on the application, is combined with the most recent Agency Credit Score (from the previous program year) to determine the Final Preliminary Score. Before finalizing the score, point deductions may be applied based on predefined criteria. Once any necessary deductions are made, TARP members' scores are averaged to establish the Final Preliminary Score.

The Public Services category of CDBG is intended to maximize outcomes in our community based on the identified needs of vulnerable populations. Public Service programs aim to respond to emerging community needs and/or expand services for an existing need as well as attempt to align and enhance other CDBG and locally funded activities. Periodically, DCHD will conduct a community needs assessment (CNA), which will determine priority needs and gaps to which Public Service funds will be available for applicants. A comprehensive CNA will be conducted every three years, and a small-scale assessment will be conducted on an annual basis. Should a crisis arise, the DCHD Director may determine that a comprehensive CNA be conducted. The CNA will be published annually in the DCHD website.

DCHD solicits funding proposals from interested public and non-profit entities for the use of CDBG funds for Public Service programs. Federal regulations stipulate that a maximum of 15% of the annual CDBG

funding may be allocated to Public Services.

<u>Evaluation Scale</u>	
500: Maximum Total Score	
Credit Score	Score Card Deduction (-) Points
450-500	0
400-449	5
350-399	10
300-349	15
250-299	20
200-249	25
150-199	30
0-149	35
This tool will not be used for new agencies (or certain questions will not be applied) Tool will be used to adjust application score card.	

### **Step 5: Notification of Final Preliminary Score and Qualification for Oral Presentation**

Applicants are notified of their Final Preliminary Score via memo. Agencies scoring 75% or higher qualify for the oral presentation phase.

### **Step 6: Appeal Process**

If an agency wishes to appeal its Final Preliminary Score, it must submit a written appeal within seven (7) calendar days of notification, clearly stating the reason for the dispute. No appeals will be accepted after this period.

### **Step 7: Oral Presentation and Final Scoring**

Agencies that qualify proceed to the oral presentation phase, which includes a 10-minute presentation followed by a question-and-answer session with the TARP. Following the presentations, TARP members finalize scores and rank applicants to establish the Final Score.

### **Step 8: Final Score Development and Funding Recommendation**

After oral presentations, TARP members discuss each proposal, allowing panelists the opportunity to revise their scores based on the discussion. If any scores are adjusted, the final applicant score is re-averaged and used as a basis for DCHD's funding recommendation.

### **Step 9: Final Funding Recommendation and Approval**

DCHD staff and leadership deliberate final rankings and establish a funding recommendation to present to City Council. The recommendation incorporates:

- ❖ Score rankings
- ❖ Community needs
- ❖ Regulatory requirements (e.g., ESG funding limitations)

Applicants are notified of the final funding recommendation via email, and full scoring details are available upon request once all recommendation letters are delivered.

### **Step 10: City Council and HUD Approval**

Final program funding recommendations are presented to City Council, which has the ultimate authority on project selection. HUD also plays a role in ensuring compliance with federal regulations before final funding approval.

This structured process ensures fair, transparent, and data-driven funding decisions that align with community needs and regulatory requirements.

## **CDBG Public Facilities Application Process**

The full application packets, including all required modules, will be provided at the mandatory training workshops only to those agencies who attend. Virtual attendance may be authorized at the discretion of DCHD. The City of El Paso has a fiscal responsibility to ensure that subrecipients selected for funding abide by all rules and regulations established by the Federal government, and that they are complying for the entirety of their funding cycles, as this will have a direct effect on the total Federal funds received by the City.

### **Funding Recommendations are Established as Follows**

#### **Step 1: Project Proposal Preliminary Review**

Applicants submit the Attachment N Project Concept Form. If the proposed project is determined to be eligible and feasible, the applicant is required to schedule a site visit with DCHD staff before the application deadline.

#### **Step 2: Application Submission and Eligibility Review**

DCHD receives application submissions. Upon receipt of applications, DCHD staff will verify the completeness and eligibility of each application.

#### **Step 3: Technical Advisory Review Panel (TARP) Review and Preliminary Scoring**

TARPs will be established to review and evaluate applications. The TARP will review and score the applications, and an average Preliminary Application Score is established per project application.

This review will include, but is not limited to:

- ❖ Past applicant performance
- ❖ Proper completion of the application
- ❖ Community impact and community need
- ❖ Reasonable construction and design costs
- ❖ Reasonable project completion timeline
- ❖ Program eligibility according to applicable federal, state and local regulations

#### Step 4: Agency Credit Score Utilization

The Agency Credit Score is developed at the end of the program year based on an agency's compliance, spending rate, and overall performance over the past three funding years. The score reflects an average of all programs funded under the agency, with more recent performance carrying greater weight while older data has less impact. If an agency has not received funding in the past three years, the Agency Credit Score is not used in the evaluation process.

#### Step 5: Development of the Final Preliminary Score

Both the Preliminary Score and the Agency Credit Score are utilized to determine a Final Preliminary Score.

The use of the Agency Credit Score will be utilized to determine a Final Preliminary Application Score. The Agency Credit Score may result in the deduction of points using the scale below.

Evaluation Scale	
500: Maximum Total Score	
Credit Score	Score Card Deduction (-) Points
450-500	0
400-449	5
350-399	10
300-349	15
250-299	20
200-249	25
150-199	30
0-149	35
This tool will not be used for new agencies (or certain questions will not be applied) Tool will be used to adjust application score card.	

#### Step 6: Notification of Final Preliminary Score and Qualification for Oral Presentation

The TARP members' scores will be averaged, and the applicants will be notified in memo form of their Final Preliminary Score. All applicants will proceed to the oral presentation phase of the process. Oral presentations will be 10-minute presentations followed by a question-and-answer session.

#### Step 7: Appeal Process

If an agency would like to appeal their score at this point in the process, they must do so within seven (7) calendar days of receiving their Final Preliminary Score. The written appeal must detail the decision, or determination that is being disputed. After seven (7) days, decisions and determinations can no longer be appealed.

#### Step 8: Oral Presentation and Final Scoring

After oral presentations, TARPs establish a Final Score and the applicants are ranked based on these scores.

**Final Scores will be developed as follows:**

- ❖ The TARP will discuss each proposal. TARP members will have the opportunity to revise their Preliminary Scores for each proposal based on the TARP discussion.
- ❖ The scores of all TARP members will be averaged to create the applicant's final score, which will be used as a platform for the DCHD funding recommendation.

### **Step 9: Final Funding Recommendation and Approval**

DCHD staff and leadership deliberates final ranks and establishes a funding recommendation to present to City Council. Final funding recommendations incorporate a combination of score rankings, community needs, and statutory regulations.

- ❖ Applicants will be notified by email of the final funding recommendation. Full details of the applicant's final score will be made available upon request once all recommendation letters are delivered.

### **Step 10: City Council and HUD Approval**

Final program funding recommendations are presented to City Council, which has the ultimate authority on project selection. HUD also plays a role in ensuring compliance with federal regulations before final funding approval.

This structured process ensures fair, transparent, and data-driven funding decisions that align with community needs and regulatory requirements.

#### **Appeal Process**

- ❖ If an applicant wishes to appeal a decision or determination made by DCHD, the Applicant may submit an appeal in writing to DCHD. The steps to submit an appeal are as follows:
- ❖ Applicants must submit an appeal in writing to DCHD within seven (7) calendar days of receiving notice of the decision or determination. The written appeal must detail the decision, or determination that is being disputed. After 7 calendar days, decisions and determinations can no longer be appealed.
- ❖ DCHD staff will schedule a meeting with the applicant to discuss the appeal within fourteen (14) calendar days of receipt of an appeal.
- ❖ If DCHD staff determines that the appeal is valid, responsive action will be considered.
- ❖ If DCHD staff concludes that the appeal is invalid, an applicant can dispute this conclusion with the DCHD Director who will review the validity of the appeal request.
- ❖ The DCHD Director will either approve the appeal and modify a decision or determination accordingly or will deny the appeal and provide the applicant agency with written justification for denial of the appeal.
- ❖ The applicant will be notified in writing of the appeal decision by the Community and Human Development Director



**\*\*\*This appeal process does not provide an opportunity to revise proposals, nor does it guarantee that decisions or determinations will be modified.**

### **Exit Conference**

Applicants whose projects are not funded following the final City Council Budget Hearing may request a Technical Assistance (TA) Exit Conference to receive constructive feedback and strategic guidance. This conference serves as an opportunity for capacity building, helping applicants strengthen future proposals, improve program design, and enhance compliance with funding requirements. Additionally, DCHD staff will discuss alternative funding opportunities, best practices, and strategies for aligning projects with community needs and funding priorities to increase the likelihood of success in future funding cycles.

## **City Council**

City Council retains the ultimate authority regarding funding for projects and programs covered by this document; however, HUD and TDHCA have final oversight and approval authority to ensure compliance with federal and state regulations. Funding recommendations initiated by DCHD staff are presented in draft form at a public hearing. Following this hearing, a 30-day public comment period allows the community to provide feedback, which is documented and considered for incorporation into the final Annual Action Plan submitted to HUD. Once finalized, the plan, along with all public comments received, is presented to City Council for approval. The adopted Annual Action Plan must then be submitted to HUD 45 days before the start of the upcoming program year for final review and authorization.

For TDHCA funding, a separate application process is required. After City Council grants authority to apply, DCHD submits the TDHCA application before the agency's deadline, which varies depending on the funding opportunity.