



**EL PASO COUNTY SELF HELP CENTER  
HOUSING REHABILITATION/RECONSTRUCTION/NEW CONSTRUCTION  
PROGRAM GUIDELINES**

**I. PURPOSE**

El Paso County receives Texas Community Development block Grant Program (TXCDBG) funds administered by the Texas Department of Housing and Community Affairs to provide housing reconstruction/new construction services for low to moderate income (LMI) residents and their family who reside in the targeted colonia areas. The purpose of this housing reconstruction/new construction program is to improve substandard living conditions and enhance the quality of life for El Paso County's colonia residents.

This program operates in accordance with all applicable rules and regulations required by the Texas Department of Housing and Community Affairs. El Paso County Commissioners Court designates the Director of Family and Community Services or his/her representative (Director) to administer this program. The Director of Family and Community Services or her representative will be assisted by Self Help Center staff.

The Director of Family and Community Services or her representative can be contacted at:

El Paso County Administrative Offices  
800 E. Overland, Ste. 208  
El Paso, Texas 79901  
(915) 834-8201  
[rneill@epcounty.com](mailto:rneill@epcounty.com)

El Paso County Self Help Center  
Martha Arciniaga, Housing Coordinator  
15371 Kentwood  
El Paso, Texas 79928  
[marciniaga@epcounty.com](mailto:marciniaga@epcounty.com)

**II. PROGRAM OBJECTIVES**

The following objectives guide the implementation and administration of the housing assistance program.

- a. The primary objective of the Housing Assistance Program (HAP) is to provide decent, safe, and sanitary housing for eligible LMI residents by the reconstruction or new construction of substandard, single family, owner-occupied dwelling units in compliance with the International Residential Code (IRC) and the Colonia Housing Standards (CHS).
- b. The Director with assistance from the Housing Coordinator and SHC staff will administer the Housing Assistance Program to include program eligibility, verifying, reviewing, and developing the scope of work, cost estimates and bidding documents.
- c. The HAP operates in accordance with all the applicable rules and regulations of El Paso County, the Department of Housing and Urban Development, and the Texas Department of Housing and Community Affairs (TDHCA). El Paso County Commissioners Court approves all program components.

**III. APPLICANT ELIGIBILITY REQUIREMENTS**

The following are the requirements to determine eligibility for assistance. Eligibility does not assure funding, since there may be more eligible applicants than available funds.

**a. Income Eligibility**

The total household income cannot exceed 80% of the area's median income at the time of assistance. The Department of Housing and Urban Development (HUD) establishes the area median income limits annually for the El Paso County area.

El Paso County, Texas 2010 Income Limits

	1	2	3	4	5	6	7	8	
<b>El Paso County</b>	<b>30</b>	<b>9800</b>	<b>11200</b>	<b>12600</b>	<b>13950</b>	<b>15100</b>	<b>16200</b>	<b>17300</b>	<b>18450</b>
	<b>40</b>	<b>13040</b>	<b>14880</b>	<b>16760</b>	<b>18600</b>	<b>20120</b>	<b>21600</b>	<b>23080</b>	<b>24560</b>
	<b>50</b>	<b>16300</b>	<b>18600</b>	<b>20950</b>	<b>23250</b>	<b>25150</b>	<b>27000</b>	<b>28850</b>	<b>30700</b>
	<b>60</b>	<b>19560</b>	<b>22320</b>	<b>25140</b>	<b>27900</b>	<b>30180</b>	<b>32400</b>	<b>34620</b>	<b>36840</b>
	<b>80</b>	<b>26050</b>	<b>29800</b>	<b>33500</b>	<b>37200</b>	<b>40200</b>	<b>43200</b>	<b>46150</b>	<b>49150</b>

**b. Proof of Ownership**

The applicant must be an individual or family who owns and occupies a single-family residential unit as their primary residence within the target area. Staff documents ownership as follows:

- Possess a valid deed to the property;
- Possess a life estate;
- Maintain a 99-year leasehold interest in the property; or

**c. Length of Ownership**

The property to be reconstructed-not feasible for rehabilitation-must have been owned and occupied by the applicant and/or family members for at **least two years** prior to the date of the application.

**d. Property Taxes**

Applicant must furnish evidence such as a current property tax statement with a date within thirty (30) days of the time of application date that verifies that all property taxes assessed on the property for reconstruction/new construction are current or the property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code. An established payment plan with regular payments is acceptable, if back taxes are owed.

**e. Proof of Residency**

Applicant must furnish evidence that they are current residents of the State of Texas by providing a valid Texas Driver's License or a valid Texas Identification Card. No other forms of identification will be accepted. Additionally, applicant will be required to furnish evidence such as a recent utility bill that verifies that they are the inhabitants of the proposed assisted home.

**f. Insurance**

A hazard insurance policy will be purchased with program funds and effective for a period of one (1) year upon completion of construction project. Assisted homeowners will be encouraged to obtain fire and casualty insurance for their residence for the remaining years of the forgivable loan. If the property is located in a flood hazard area, flood insurance must be in effect for the duration of the assistance term.

**IV. PROPERTY ELIGIBILITY****a. Unit Characteristics**

- i. Only single-family owner-occupied units will be eligible for housing assistance. A family is defined as a householder and one or more other persons living in the same household who are members of his/her family and occupy this unit as their primary residence. An individual living alone is also eligible.
- ii. Due to a recent rule by TDHCA, no mobile homes will be eligible for rehabilitation. Mobile/ Manufactured homes will only be considered for reconstruction. Applicants that reside in dilapidated and uninhabitable mobile homes will be candidates for reconstruction. Units eligible for reconstruction must agree to the demolition or removal of the current dilapidated unit within 6 months of completion of construction as a condition of assistance. In no case will a homeowner be allowed to refuse the removal or demolition whether partially or completely of the old unit.
- iii. A unit used for commercial purposes is not eligible for assistance.
- iv. TDHCA must approve all reconstruction, new construction, and mobile home replacements.
- v. All reconstruction, new construction and mobile home replacements must meet only the current needs of the approved applicant.

**b. Location**

Units must be inside the target areas of Agua Dulce Unit's 1-5/Horizon 90, 91 and 94, El Paso Hills Units 1-4, Lakeway Estates Units 1-3, Horizon View Estates Units 17, 20, 21 and 22.

**c. Inspection**

- i. A preliminary inspection using the Colonia Housing Standards Inspection Report will be done to determine the condition of the unit and to prepare a list of the code deficiencies. This assessment will help provide a general estimate of the reconstruction or new construction cost. The estimate determines if the reconstruction/new construction fits within the limits of the HAP. For new construction projects, a final inspection will be done upon completion of construction.
- ii. A qualified inspector will perform all required inspections. Required inspections include:
  1. Reconstruction – Initial and Final (2 total inspections)
  2. New Construction –Final inspection (1 total inspections)

Homeowners will receive a copy of all inspection reports.

**d. Multiple Dwellings**

In no case will a property with multiple dwellings on the same lot be eligible for participation in the HAP. All properties must comply with the El Paso County Model Subdivision Regulations and the State Model Subdivision Regulations.

**V. CONDITION REQUIREMENTS**

Completed reconstructed or newly constructed units must comply minimally with International Residential Code (IRC) for new construction and reconstruction. All reconstructions and new constructions must meet accessibility requirements pursuant to §2306.514 of the Texas Local Government Code. All reconstructions and/or new

constructions must comply with Section 31 of the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with Community Development Block Grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions with the 24 C.F.R. 33 (HUD lead-based paint regulation).

- a. Unsuitable for Rehabilitation is a residential unit that has major structural conditions from inadequate original construction or has failing foundation, floor, wall, ceiling, roof, and exterior systems.
- b. System failures or violations in electrical, plumbing, doors, windows, and other building components may also be taken into consideration. A determination will be made if more than 50 percent of the house must be demolished in order to comply with the IRC and the CHS. Using these standards as a guide along with the inspection report, El Paso County Self Help Center staff will determine if they are eligible for new construction or reconstruction.

#### **VI. RECONSTRUCTION/NEW CONSTRUCTION PROVISIONS**

- a. Assistance will not be used for luxury items, including but not limited to garage door openers, security systems, swimming pools, hot tubs, fences, rock walls, television satellite dishes, sky lights and other items as determined by the SHC staff.
- b. Cook stoves, refrigerators, and other necessary appliances are eligible items, but considered when they are not present or the repair is not cost effective. Consideration of these items is on a case-by-case basis.
- c. The Contractor, at his/her expense, secures required insurance, bonds, and building permits included as part of the bid costs as applicable.

#### **VII. SUPPLEMENTAL RECONSTRUCITON/NEW CONSTRUCTION PROVISIONS**

- a. All debris, abandoned vehicles, and derelict buildings must be removed from the property prior to the start of construction. The owners shall remove whatever they are physically able to remove. Owners agree, by executing a Housing Assistance Agreement, that this clean up will be the sole responsibility of the owners themselves.
- b. The builder must have on staff or be able to subcontract a licensed electrical inspector, a licensed plumber and a licensed HVAC technician.
- c. All homes must be equipped with UL approved smoke detectors installed in conformance with the one and two family dwelling code.
- d. Homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Reconstruction/new construction must follow the accessibility requirements pursuant to §2306.514 of the Texas Local Government Code.

#### **VIII. MAXIMUM CEILING OF HOUSING ASSISTANCE**

The cost of reconstructing or constructing a single housing unit will not exceed the maximum amount allowed under these guidelines. The average cost of construction of a single housing unit will be up to \$85,000. The County must request and receive approval from the respective funding agency to exceed these assistance ceilings.

#### **IX. HOUSING ASSISTANCE**

##### **a. Type of Assistance**

The housing assistance program is a zero-interest, deferred payment grant. The length of deferral will coincide with the assisted homeowner's length of time remaining on their mortgage/property loan note, if

applicable. In the case where assisted homeowner's have paid off their property, the terms will be in the form of a five-year deferred payment, zero interest grant. An amortization table will be provided. The assisted homeowner must agree to the terms of the promissory note and deed of trust to ensure that all program guidelines and procedures are followed. The promissory note and deed of trust will secure the grant.

The deed of trust will be filed with the office of the County Clerk. The assisted homeowner must provide a subordinate mortgage lien against the property to the Housing Assistance Program in the amount stipulated on the related promissory note. The note is initially valued at the amount of the grant assistance. The program forgives a percentage of the note each year that the assisted homeowner retains ownership, resides in the home, and complies with all the conditions of the note and deed of trust. For example, the program forgives 20% of the note annually on a five-year amortization.

**b. Repayment of the Note**

If the assisted homeowner occupies the home until the term of the note expiration, the owner pays nothing and there are no conditions on the disposition of the property. If the property is sold, leased or rented, transferred or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the five-year forgivable grant period, the repayment terms of the promissory note and subordinate mortgage lien are enforced except in those cases addressed in paragraph IX, Section C below. If the assisted homeowner for any reason ceases to reside in the assisted unit during the El Paso County Self Help Center contract period, only LMI persons may reoccupy the unit until the contract is administratively closed by the respective funding agency or the grant contract period expires, whichever is earlier.

**c. Accelerated Forgiveness in Certain Cases**

In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the application or if for any reason the homeowner vacates the unit for any single period that exceeds thirty days, the Administering Locality may forgive, as evidenced by commissioners court action, any remaining loan balance.

Prior to forgiveness of all or any portion of the assistance provided, the request for forgiveness must be approved by the local governing body and be based on documented and justifiable conditions or circumstances that would result in an unnecessary hardship to the homeowner and the determination that the national objective of benefitting low to moderate-income persons was met. The national objective will be considered met only when the county commissioners court determines that a low to moderate income person has occupied the rehabilitated or reconstructed home a sufficient time to meet the national objective.

**d. Relocation Assistance**

Relocation assistance is not provided as part of participation in the Housing Assistance Program. Participation by the assisted homeowners is **voluntary**. Owners agree, by executing a Housing Assistance Agreement, that participation in this program is voluntary and relocation activities, if applicable, will be the sole responsibility of the owners themselves.

**X. CONFLICT OF INTEREST**

- a. Conflict of interest regulations contained in the TXCDBG contract between the El Paso County and the Agency prohibit local elected officials, Administering Locality employees, and consultants who exercise functions with respect to grant program activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the grant program activity either for themselves or for those with whom they have family or business ties, during the tenure of contract and for one year thereafter.



the need for any additional application periods based upon the number of applications received or if funds have not been encumbered.

- ii. All eligible reconstruction/new construction applications will be reviewed and approved by the Housing Assistance Committee (See section XII below) using the approved evaluation and scoring criteria as described herein. Applicants who clearly do not qualify will be informed in writing that they do not meet the baseline eligibility criteria. A database of all eligible and ineligible applicants will be kept on file at the SHC.
- iii. All applicants must provide a Certificate of Compliance with Plat Requirements from the County Road and Bridge Department in order to be considered for rehabilitation. Applicant is responsible for all fees and requirements associated with acquiring certificate of compliance.

**d. Income and Asset Limits**

- i. The GROSS Annual income (before any deductions) of households to be benefited must not exceed HUD's current Maximum Income Limits.
- ii. All income will be verified from independent source documentation such as pay check stubs, letter from employer, benefit letter from the Social Security Administration, or valid income tax returns. Income will be verified for all members of household.
- iii. HUD's definition of annual income is the GROSS amount of income before deductions of all adult members anticipated for the coming 12 month period.
- iv. In no case will an applicant with "zero income" be eligible for this Housing Assistance Program.

**e. CHANGE ORDERS AND COST OVERRUNS**

Change orders are generally discourage unless absolutely unavoidable. They can cover any sort of revision to the contract, including: adjustments in the method by which a task is to be completed; adjustments to the specifications in the work write-up; change in scheduling; additional activities; or deleted activities. Any modification to the scope of work must be addressed by a change order. The total of a change order cannot exceed 25% of the original contract amount. All change orders must be requested in writing to TDHCA. TDHCA will determine if the change order is necessary. If approved by TDHCA, it will become an addendum to the contract and it will be specific with respect to additional/reduced work approved to be performed, cost and the schedule. The assisted homeowner, the contractor, the program director and TDHCA must approve all change orders. In the event TDHCA denies a change order request or the change order is excessive in cost, El Paso County Self Help Center will look for alternative funding sources but may request that the homeowner cover the cost that exceeds the original contract amount.

**XII. SELECTION OF APPLICANTS, WORK WRITE-UPS AND CONTRACTING PROCESS**

- a. A Housing Assistance Committee (HAC) will be established comprised of a representative from the County Auditor's Office, the General Assistance Department and the Road and Bridge Department. Upon verification of the applicant's eligibility, the Housing Assistance Committee will rate applications according to the priority scoring criteria as herein established. All applications are ranked against each other to establish the order of priority.
- b. After ranking the applications, the HAC will make a formal recommendation to proceed with assistance or to deny assistance for each applicant. The SHC staff will then review the highest ranked applicants to determine the specific items needed to bring the property up to IRC and CHS. A written approval notification will be issued to each applicant based on the recommendations of the HAC.

- c. Once the candidates have been selected, a qualified contractor will conduct an initial property inspection of the selected properties to determine the specific items for repair or replacement to bring the units up to IRC and CHS. The contractor or designee will prepare a work write-up and estimate of costs for each assisted property. This work write-up will guide the bidding process.
- d. County procurement policies will determine selection of a contractor. The lowest responsive bidder will be recommended for the award.
- e. Upon contract award, Self Help Center staff will secure a Housing Assistance Agreement, promissory note, deed of trust and a mortgage lien on the property from the applicant, who will become an "assisted homeowner" from that time forward. Program staff will file the deed of trust and lien with the office of the County Clerk.
- f. A preconstruction conference between the assisted homeowner, contractor, and the Self Help Center staff will insure that all parties agree on the work to be completed. The pre-construction conference will consist of two parts: 1) Contract and procedural issues: dates of contract, terms of contract, payment schedules and procedures, lead base requirements, responsibilities of the contractor and the assisted homeowner, change order procedures, TDHCA draw form requirements, payment requests and procedures, role of Self Help Center staff, complaint and conflict resolutions procedures, and other programmatic duties. 2) A walk through of the property. All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work, and the contractor after the work

**XIII. CONTRACTOR QUALIFICATIONS**

In order to be eligible to participate in the construction work financed under the Housing Assistance Program, contractors must meet the following minimum requirements:

- a. The contractor must not be a debarred, suspended or ineligible contractor according to U.S. General Services Administration list of Parties Excluded from Federal Procurement and Non-Procurement Programs. Verification of contractor eligibility will be obtained prior to awarding any contract.
- b. The contractor must carry worker's compensation insurance, automobile liability insurance, and unemployment insurance as required by the State of Texas. Additionally, the contractor must carry general liability and property damage insurance for construction work done with the El Paso County Self Help Center in the amount of \$500,000. This insurance must be applicable to construction work done in El Paso County and must be in effect during the construction period.
- c. The contractor must be able to furnish a performance bond for the value of the work to be performed at the time of contract execution.
- d. Interested contractors may request placement on the bidder's list by submitting all required contractor certifications and insurances to the County Purchasing Department to be included in the bidder's invitation packages.
- e. The contractor will be considered a non-responsive bidder if his/her past performance on other rehabilitation, remodeling, or reconstruction projects were not acceptable.
- f. Bid proposals will be structured in such a manner that will require bidders to package their proposals per residential property. El Paso County Commissioner's Court will award the contract to the lowest responsive bidder.

**XIV. DEFERRED LOAN APPROVAL AND CONTRACTOR BID AWARD**

- a. A County Representative will review all eligible applications along with construction bids awarded for each property.
- b. The County Attorney's Office will prepare a Housing Assistance Agreement (HAA) with the applicant and the contractor specifying the deferred loan provisions, acceptance of all rules and regulations governing this program, work to be performed, relocation and mobile home removal conditions, the expectations of the contractor, the assisted homeowner and the County of El Paso, and any warranties to be provided.
- c. The County Judge will execute the HAA with the applicant and the contractor once the terms have been approved by Commissioners Court.

**XV. WORK INSPECTION AND FINAL PAYMENT**

Inspections serve three purposes: 1) to evaluate the contractor's progress; 2) to confirm that the agency's minimum codes or standards have been met; and 3) to confirm that all requirements of the contract have been met to each parties' satisfaction.

**a. Progress Inspections**

At a minimum construction contractor shall provide a weekly progress construction report as required by contract agreement with El Paso County.

- i. All forms of payments must include the latest progress report. Construction contractors may request payment for each completed phase of the project, i.e. roofing, plumbing, electrical, and framing. Contractor's payment requests will be accepted and paid in itemized phases.

- ii. A licensed electrician must perform all electrical work. Contractor must provide proof of electrical inspection by the County when required.
- iii. A licensed plumber must perform all plumbing work. Contractor must provide proof of plumbing inspection by the County when required.
- iv. All permits and fees are the responsibility of the contractor.
- v. Both the homeowner and the construction contractor shall sign the inspection forms as acknowledgement that the work was completed and meets approval of the homeowner and the contractor. If homeowner is not satisfied with any aspect of the work, the inspection form should not be signed until the contractor has corrected the faulty work.
- vi. Draw requests for all housing activities will only be reimbursed upon satisfactory completion of types of activities (i.e., all plumbing completed, entire roof is completed, etc.), consistent with the work write-up and subsequent construction contract.

**b. Final Inspections**

- i. The construction contractor will notify program staff when work is nearing completion so that staff may arrange for a progress inspection.
- ii. A final inspection by a licensed TREC inspector will be scheduled and conducted to ensure that the home is complete, that the home is safe, and that it meets, at a minimum, International Residential Code.
- iii. Program staff will ensure that the homeowner has received all warranties, inspection reports and instruction booklets for installed equipment and appliances if applicable.
- iv. During the initial inspection of the home, the family will be notified of the presence of lead-based paint anywhere in or on the structure. The family will be provided with a copy of Lead-Based Paint-A Threat to Your Children (a U.S. Department of Housing and Urban Development, Office of Lead-Based Paint Abatement and Poisoning Prevention handout.) The handout shall be provided in English and Spanish. The Head of Household is required to sign acknowledgement of receipt of this notice.
- v. After all items on the punch list are complete and all warranties issued, the project is complete. For purposes of accountability, the construction contractor must have written documentation that the assisted homeowner and the County Representative have accepted the work.
- vi. Items that were not included in the initial inspection, bid form or approved change order cannot be included in the final punch list.

**c. Warranties and Liens**

- i. When final inspections by both the Construction Contractor and the TREC licensed inspector are completed, program staff will obtain a "Final Bills Paid Affidavit by Contractor" TDHCA Form 16 and "Final Lien Waiver Affidavit" TDHCA Form 18 from the contractor. After receipt of these items, program staff can submit a request for funds to the County Auditors. The County Auditors Department will disburse the funds to the contractor.
- ii. El Paso County will retain 10% of the funds pending the final inspection. Following a satisfactory final inspection, the retainage payment will be submitted for processing.
- iii. If any problems are identified in the final inspection, program staff will notify the Construction Contractor to come back and correct the items within a reasonable amount of time. Should the contractor fail to do so, El Paso County will not disburse the retainage, the assisted homeowner

may take any necessary legal course, and the construction contractor will be barred from performing any more rehabilitation/reconstruction/new construction work for El Paso County. In addition, should the construction contractor be doing other work under this Housing Assistance Program and fails to correct any warranty problems, the County will make no further payments to him/her until such problems are corrected.

- iv. All work performed by the construction contractor will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the Housing Assistance Agreement between the County, the contractor and the assisted homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from the work performed under the contract. Should the contractor fail to correct any warranty covered items, the assisted homeowner may take necessary legal recourse as prescribed in the Housing Assistance Agreement. A reasonable amount of time will be given to correct the problem. This guarantee will not cover any work not included in the initial inspection by TREC, approved change orders or bid documents. In addition, it will not include expected reasonable wear and tear.
- v. Program staff will require the Construction Contractor release any lien prior to final payment.
- vi. El Paso County reserves the rights to withhold construction contractor's payment for any project under the Housing Assistance Program should contractor fail to correct any valid warranty problem. The County may exercise the right to withhold payments until the contractor honors the warranty.

#### **XVI. COMPLAINTS AND DISPUTES**

Any applicant wishing to appeal any construction-related disputes or submit a complaint with regard to the Housing Assistance Program shall have the right to do so as follows:

- A. The applicant submits a written description of the complaint to the Self Help Center staff.
- B. Upon receipt of written notice by any applicant, Program staff will notify and forward the complaint to the Director or the Commissioners Court's designee.
- C. Any decision rendered by the administration shall be made known in writing to the applicant within ten (10) working days of receipt of complaint.
- D. If mediation does not resolve the dispute between the parties, the assisted homeowner may choose to address the Commissioners Court.
- F. All matters such as work schedules, contractor access, signing payment draws, reporting a change in address and/or the vacating of assisted primary residence will be addressed as conditions of assistance in the Housing Assistance Agreement to mitigate any potential program disputes.

#### **XVII. FILES AND REPORTS**

El Paso County shall maintain accurate files and records on the program and each applicant for a period of three (3) years as required by the Texas Department of Housing and Community Affairs. Such files are open for inspection as to qualification, bids, and awards.

#### **XVIII. CHANGE WAIVERS, AND /OR CONFLICTS**

The Director of Family and community Services is authorized to make word changes and amendments to these guidelines, on a case-by-case basis, in order to address urgent, unforeseen issues that will facilitate or assist in carrying out the overall objective of the program. The County Commissioners Court has the right to change,

modify, or revoke all or any part of these guidelines. The County must inform TDHCA of such changes to make sure changes are not substantial to TDHCA requirements.

Approved by:

Date

---

County Judge