

WEBB COUNTY
Community Action Agency (C.A.A.)
New Construction
Program Guidelines

I. PURPOSE

The purpose of the New Construction Program is to decrease overcrowding, dangerous and substandard living conditions and improve the quality of life for Webb County's colonia residents. This program will be operated in accordance with all applicable rules and regulations as required under the Texas Department of Housing and Community Affairs, Office of Colonia Initiatives, Colonia Self-Help Center Program.

II. PROGRAM OBJECTIVES

The following objectives are required for the implementation and administration of the new construction program activity.

- A. The primary objective of the Webb County's New Construction Program is to provide decent, safe, and sanitary housing for eligible LMI applicant homeowners by the construction of new, single family dwelling units in compliance with current International Residential Code (IRC) and meet accessibility requirements pursuant to §2306.51 of the Texas Government Code and in compliance with current Texas Minimum Energy Efficiency Requirements for Single Family Construction Activities pursuant to §2306.187 of the Texas Government Code.

III. APPLICANT ELIGIBILITY

1. Selected applicants shall not exceed 80% of the area median income.
2. Assisted families must relocate from within the boundaries of the targeted colonias of Los Altos, San Carlos I, San Carlos II, Ranchitos 359 East, and Pueblo Nuevo.

IV. PROPERTY ELIGIBILITY

A. **Unit Characteristics**

1. All new construction projects must be approved by TDHCA-OCI.
2. All new construction projects must meet only the current needs of the approved applicant.

B. **Location**

1. New Construction homes will be constructed outside the Self-Help Center target colonias, inside the City of Laredo City Limits as approved by TDHCA-OCI per Subchapter Z of Chapter 2306 of the Texas Government Code, Section 2306.586 (9) Self-Help Center: Purpose and Services.

C. Inspection

1. The selected contractor must provide a final inspection report that is free from deficiencies conducted by a qualified inspector. This report must be submitted to Webb County and to the homeowners upon construction completion.

V. CONDITION REQUIREMENTS

- A. Completed new construction units must comply minimally with current International Residential Code for new construction and must meet the accessibility requirements pursuant to §2306.514 of the Texas Government Code and Minimum Energy Requirements pursuant §2306.187 of the Texas Government Code.

VI. TYPES OF IMPROVEMENTS

- A. Required permits/inspections, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.

VII. CONFLICT OF INTEREST

- A. The conflict of interest regulations contained in the TxCDBG contract between the Webb 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 their tenure or for one year thereafter.

XIII. SELECTION OF APPLICANTS, WORK WRITE-UP

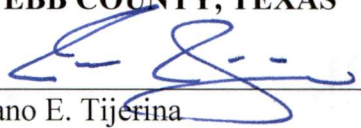
- A. Selected applicants must meet all income eligibility requirements. Applicants to be assisted under the new construction activity will be selected by Habitat for Humanity of Laredo, Inc.

XIV. CHANGES, WAIVERS, AND/OR CONFLICTS

- A. The Executive Director of the Community Action Agency will be authorized to make word changes and amendments to these guidelines, on a case-by-case basis, in order to address urgent issues that were unforeseen but will facilitate or assist in carrying out the overall objective of the program or issues that may arise between County Commissioner's Court meetings and only if the proposed word change or guideline amendment is approved by TDHCA-OCI. Details and backup documentation for each particular case will be maintained in the files to justify all changes or amendments including TDHCA-OCI approval. The Webb County Commissioner's Court will have the right to change, modify, or revoke all or any part of these New Construction Guidelines by a majority vote of the governing body. However, the respective funding agency must be informed of such changes and if the changes are substantial and do not meet the respective funding agency requirements, respective funding agency will have the final word on the issue.
- B. If there is a conflict between the respective program guidelines the more stringent or restrictive guideline will prevail or Webb County will use its best efforts to obtain a waiver or reach a compromise to resolve the conflicting guidelines.

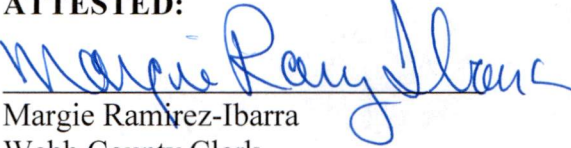
Passed and approved this 14th day of January, 2019 by the Commissioners' Court of Webb County, Texas.

WEBB COUNTY, TEXAS



Tano E. Tijerina
Webb County Judge
Date: January 31, 2019

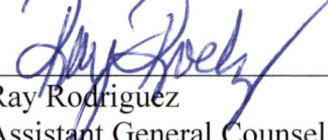
ATTESTED:



Margie Ramirez-Ibarra
Webb County Clerk



APPROVED AS TO FORM:



Ray Rodriguez
Assistant General Counsel
Webb County Civil Legal Division*

* The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

**Passed and approved by the Webb County Commissioners
Court on January 14th, 2019; Item No.7c.**

WEBB COUNTY
Community Action Agency (C.A.A.)
Housing Rehabilitation / Reconstruction
Program Guidelines

I. PURPOSE

Webb County, Texas has received Texas Community Development Block Grant Program (TxCDBG) funds administered by the Texas Department of Agriculture to administer grant programs that provide assistance in the form of housing rehabilitation or reconstruction assistance for low to moderate income (LMI) homeowners and their family who reside in the same housing unit, located within the boundaries of rural Webb County, and located within designated targeted colonias as allowed under each respective funding source. The purpose of the housing rehabilitation/ reconstruction program is to decrease dangerous and substandard living conditions and improve the quality of life for Webb County's colonia residents. This program will be operated in accordance with all applicable rules and regulations as required under each respective funding agency.

The Executive Director of the Webb County Community Action Agency or his authorized representative, shall be designated Rehabilitation Manager, with authority to administer the rehabilitation/reconstruction components of the program. The Executive Director of the Webb County Community Action Agency or his authorized representative will formulate recommendations and items requiring Commissioner's Court action.

The Executive Director of the Webb County Community Action Agency or his authorized representative can be contacted at:

520 Reynolds Street
Laredo, Texas 78040
(956) 523-4182
jramirez@webbcountytexas.gov

II. PROGRAM OBJECTIVES

The following objectives are provided for the implementation and administration of a successful housing assistance program.

- A. The primary objective of the Webb County's Housing Assistance Program is to provide decent, safe, and sanitary housing for eligible (LMI) applicant homeowners by the rehabilitation or reconstruction of substandard, single family, owner-occupied dwelling units in compliance with Texas Minimum Construction Standards (TMCS).
 - 1. Webb County's Construction Coordinator, will be the designated authority to administer the construction components of the program, i.e., perform preliminary inspections for scope of work, coordinate and review work write-ups and cost estimates, prepare bidding documents, conduct oversight liaison with the applicant homeowner, and conduct all interim and final inspections (excluding inspections by licensed personnel).

2. The Housing Assistance Program will be operated in accordance with all the applicable rules and regulations of Webb County and TDHCA.
- B. A second objective of Webb County's Housing Assistance Program is to benefit (LMI) homeowners.
1. The Executive Director of the Webb County Community Action Agency or his authorized representative will be the designated authority to administer the assistance components of the program, i.e., to take applications and verify eligibility.

III. Applicant Eligibility

The following threshold requirements must be met for an applicant to be eligible for assistance.

- A. **Income Eligibility** In order to receive assistance, the applicant total household income cannot exceed 80% of the area's median income. The area median income limits shall be determined utilizing the income limits established yearly by HUD for the Webb County area which shall be provided to each applicant.
Eligibility does not assure funding, since it is expected that there will be more eligible applicants than can be served with available funds.
- B. **Program Eligibility** The applicant must prove ownership of the property and must occupy the property as his or her principal residence. Ownership can be documented as follows:
1. Possess a valid deed to the property
 2. Possess a life estate
 3. Heir Property - if property is in an undivided "heir ownership" situation, the applicant must be one of the heirs. While full fee simple title into the heir(s) may not be required, Webb County will verify ownership status and determine the likelihood of continued occupancy and program eligibility by the applicant. As determined by the Executive Director of the Webb County Community Action Agency, proof of control of the property is necessary, such as, proof of payment of insurance and property taxes for at least two years;
 4. Maintain a 99-year leasehold interest in the property; or,
 5. Other acceptable forms of ownership, subject to approval by the respective funding agency on a case by case basis.
- C. **Applicant Requirements** Applicants are required to submit the required application along with supporting documentation to Webb County within the allotted time period. Applicants must have water / sewer services in order to be eligible for housing rehabilitation / reconstruction assistance. Webb County will allow a reasonable amount of days by which the applicant must submit the required documentation. Webb County will disqualify applications for failure to submit documents within the allotted time period. Time extensions may be considered on a case by case basis.
Applications containing any false or fraudulent information will be disqualified from receiving program assistance.
- D. **Occupant Eligibility**
1. Properties occupied by renters are not eligible for assistance with these programs.
 2. Applicant must furnish evidence that all property taxes assessed on the property proposed for assistance have been paid prior to the award of the assistance, or the property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code. If homeowner does owe back taxes, an

established payment plan with evidence of regular payments may be acceptable, depending on the amount of taxes owed and ability of the homeowner to pay back the past-due ad-valorem taxes, on a case by case basis.

E. **Insurance**

1. Assisted homeowners will be encouraged to obtain fire and casualty insurance for their residence. A hazard insurance policy will be purchased with program funds and effective for a period of one (1) year upon completion of construction project.
2. If the unit 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**

1. 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. An individual living alone and joint tenants who both occupy the unit are also eligible.
2. Mobile / manufactured units may be considered for replacement under the Reconstruction Program.
3. Units eligible for reconstruction must agree to the demolition of the dilapidated unit as a condition of assistance. In no case, will a homeowner be allowed to refuse the demolition whether partially or completely of the old home.
4. Properties utilized for commercial/rental purposes are not eligible for assistance.

B. **Location**

1. Homes must be located within the rural areas of Webb County, Texas; and,
2. Homes must be located within the boundaries of Colonias Los Altos, San Carlos I San Carlos II, Ranchitos 359 East, and Pueblo Nuevo, or as identified by each respective funding agency.

C. **Inspection**

1. A preliminary inspection will be conducted to determine the condition of the unit for each application from an eligible applicant. The initial and final inspection will be conducted by a qualified inspector and a list of deficiencies will be prepared. Homeowners will receive a copy of both initial and final inspections. The inspection will help to provide a general estimate of rehabilitation/reconstruction costs to determine if the unit can be rehabilitated within the limits of the assistance, and whether the unit requires more rehabilitation/reconstruction than what is possible through the provisions of this Housing Assistance Program.
2. A qualified inspector shall perform all required inspections. Required inspections include;
Housing Rehabilitation – Initial and Final Inspection (2 total inspections)
Reconstruction – Initial and Final Inspection (2 total inspections)
New Construction – Final Inspection only (1 total inspection)

V. CONDITION REQUIREMENTS

- A. Completed units must comply minimally with Texas Minimum Construction Standards (TMCS) for housing rehabilitation / reconstruction and Minimum 2015 International Residential Code (IRC) Minimum Energy Efficiency Requirement for reconstructions. All reconstructions must meet the accessibility requirements pursuant to §2306.514 of the Texas government Code.
- B. “Suitable for Rehabilitation” is defined as a unit occupied by (LMI) person(s) and/or person(s) with disabilities which can be brought up to Texas Minimum Construction Standards (TMCS) with a Colonia Self-Help Center investment not to exceed \$50,000. All homes assisted with Colonia Self-Help Center funds will have a recorded lien placed on the property secured by a five (5) year / sixty (60) month pro-rated forgivable loan.
- C. “Unsuitable for Rehabilitation” is defined as a residential unit which has major structural conditions that were the result of either inadequate original construction, or failing foundation, floor, wall, ceiling, roof, and exterior systems. Systems failures or violations in electrical, plumbing, doors, windows, and other building components will also be taken into consideration. In cases where the Construction Coordinator determines that the cost of rehabilitation / reconstruction will exceed the maximum amount of assistance available, Webb County will “walk away” from such unsuitable rehabilitation/reconstruction projects.

VI. TYPES OF IMPROVEMENTS

- A. Improvements needed to meet Texas Minimum Construction Standards (TMCS), and cost effective energy measures are eligible improvements.
- B. Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by the Agency in cases where safety or the structural integrity of the house is involved.
- C. Improvements will include as necessary, handicapped accessibility for special needs, energy efficiency or ventilation items.
- D. Cook stoves, refrigerators, and other necessary appliances are eligible items, but will only be considered when they are not present or the repair would not be cost effective. They will be dealt with on a case-by-case basis.
- E. Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.
- F. Assistance will not be used for luxury items, including but not limited to garage door openers, security systems, swimming pools, hot tubs, fences, television satellite dishes, sky lights and other items as determined by the Executive Director of the Webb County Community Action Agency, and/or the Texas Dept. of Housing & Community Affairs (TDHCA).

VII. SUPPLEMENTAL REHABILITATION IMPROVEMENTS

- A. All debris, abandoned vehicles, and derelict buildings must be removed from the property prior to the start of construction. The assisted homeowners will remove whatever they are physically able to remove.

- B. All electrical components must be inspected including service, meter, wiring, and fixtures even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.
- C. All homes must be equipped with a smoke detector installed in conformance with Texas Minimum Construction Standards (TMCS)
- D. Homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas must be installed, if appropriate.

VIII. MAXIMUM CEILING OF HOUSING ASSISTANCE

The cost of rehabilitating / reconstructing a single housing unit will not exceed the maximum amount allowed under the rules of the respective funding agency. The maximum cost of a single housing unit will be \$40,000 for rehabilitation, and \$50,000 for reconstruction. Webb County reserves the right to deny funding and “walk away” in cases where the amount needed for repairs exceeds the average rehabilitation/reconstruction cost.

IX. HOUSING ASSISTANCE

- A. **Type of Assistance** – The housing assistance provided shall be secured by a five-year, sixty (60) month pro-rated deferred payment, zero-interest forgivable loan. The forgivable loan is instituted through the use of a promissory note, secured by either a first or second deed of trust mortgage lien. The assisted homeowner shall provide a primary or subordinate (2nd) mortgage lien against the property to the Housing Assistance Program in the amount stipulated on a related promissory note. The note is initially valued at the amount of the grant assistance amount. Each year (pro-rated monthly) that the assisted homeowner retains ownership and resides in the home a percentage of the amount is forgiven.
- B. **Repayment of Note:** If the assisted homeowner continues to occupy the home until the term of the note expires, the owner pays nothing and there are no conditions on the disposition of the property. If the property is sold, 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 primary or subordinate mortgage lien will be enforced except in those cases addressed in paragraph XI, Section C below. If the assisted homeowner for any reason ceases to reside in the assisted unit during the Webb County’s 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 original application, the Administering Locality may forgive any remaining loan balance. However, the requirement that only (LMI) persons may occupy the assisted housing unit until the grant contract is closed by the Agency or the contract period expires shall not be waived by the Administering Locality. Any waiver of this policy must be given by the Agency.

- D. **Relocation Assistance**: Relocation assistance will not be provided as participation in the Housing Assistance Program. Participation by the assisted homeowners is voluntary.

X. CONFLICT OF INTEREST

- A. The conflict of interest regulations contained in the TxCDBG contract between the Webb 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 their tenure or for one year thereafter.
- B. For purposes of this section, the Texas Community Development Block Grant Program has defined "family" to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

XI. SELECTION OF APPLICANTS

A. Applicant Policies

1. The Housing Assistance Program will benefit the number of (LMI) households cited in the respective funding agency's grant application unless a change is approved by the respective funding agency. Low to moderate income (LMI) is defined as 80% of the locality's median income as computed on the most current TDHCA - CDBG Income Limits. Any activity carried out with grant funds that involves acquisition, rehabilitation or reconstruction of property to provide housing is considered to benefit (LMI) persons only to the extent such housing will, upon completion, be occupied by such persons.
2. The Housing Assistance Program will assist low to moderate-income persons (up to 80% area median family income).
3. The Housing Assistance Program will ensure that every individual is treated with fairness and consistency. The adopted guidelines will apply equally to each applicant.

- B. Priorities for Evaluating Applicants All eligible applicants will be assisted on a first come first serve basis.

C. Selection and Approval of Applicants

1. The Construction Coordinator will take applications as required by respective funding agency and pre-qualify the applicants who meet the eligibility criteria. Applicants who clearly do not qualify will be informed immediately that they do not meet baseline eligibility criteria.
2. The Construction Coordinator will accept applications from potential Housing Assistance Program beneficiaries during Webb County's regular business hours on days until all funds have been exhausted.
3. All eligible rehabilitation / reconstruction applications will be reviewed and approved by the Webb County Community Action Agency Executive Director or his authorized designee.

D. Income and Asset Limits

1. The GROSS Annual income (before any deductions) of households to be benefited must not exceed 80% of HUD's current Maximum Income Limits.
2. All income will be verified from independent source documentation such as letter from employer(s), benefit letter from the Social Security Administration, or valid income tax returns. Income will be verified for all members of the household.
3. Any income producing assets belonging to any household member will be included in the total household income. Any non-income producing assets will not be counted in the total household income.

XII. CHANGE ORDERS AND COST OVERRUNS

Change orders 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 alterations to the scope of work must be addressed by means of a change order. All change orders must be requested in writing. The Executive Director of the Webb County Community Action Agency will determine if the change order is necessary and submit to TDHCA for approval. If approved by TDHCA, it will become an addendum to the contract and it will be specific with respect to the (additional / reduced) work approved to be performed, cost and the schedule. Change orders MUST be approved by the assisted homeowner, the contractor, the Executive Director of the Webb County Community Action Agency and TDHCA, and/or the Webb County Commissioner's Court. In the event that an unforeseen change order request is denied by TDHCA or the change order is excessive in cost, Webb County will first look for alternative funding sources but may request the homeowner to cover the cost which exceeds the original contract amount.

XIII. SELECTION OF APPLICANTS, WORK WRITE-UP AND CONTRACTING PROCESS

- A. After reviewing and approving the applications, the Webb County Community Action Agency Executive Director and/or Webb County Budget Officer will make a formal recommendation to proceed with assistance or to deny assistance based on the income eligibility determination and need for each applicant. The Self-Help Center Construction Coordinator will review the eligible applicants to determine if the specific items to be repaired or replaced to bring the units up to Texas Minimum Construction Standards (TCMS) can be carried out with the allotted budget.
- B. Applicants may accompany the Construction Coordinator on the work write-up inspection in order to discuss the proposed work items. When the work write-up has been completed and a cost estimate prepared, the Construction Coordinator will discuss the scope of work and the effect of the cost estimate with the applicant. The Construction Coordinator will make a determination whether rehabilitation or reconstruction is feasible. If the estimated cost exceeds the maximum amount allowed by the respective funding agency, the applicant's property will not be considered for rehabilitation / reconstruction. Upon applicant qualification, an

inspection is then performed identifying all deficiencies that need to be addressed in the work write up. Once the applicant agrees with the scope of the work it will be utilized in the bidding process.

- C. Webb County will solicit bids using standard statutory procurement and/or bidding practices on behalf of the homeowner. The lowest responsible bidder will be recommended for award.
- E. Once a bid has been awarded through the Webb County Commissioner's Court, the Civil Legal Division Attorney's will proceed with securing a promissory note and contract agreement and a first or secondary Deed of Trust mortgage lien on the property from the applicant, who will become an "assisted homeowner" from that time forward. The Deed of Trust Lien will be filed by the Construction Coordinator with the official property records at the County Clerk's Office.
- F. A pre-construction conference between the assisted homeowner, contractor, Webb County Purchasing Agent, Webb County Civil Legal Division and the Construction Coordinator will be conducted to insure that all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts: The first part deals with basic contract and procedural issues: issuance of the Notice to Proceed, review and confirm the begin and end dates of the construction contract; terms of the contract; payment schedules and procedures; inspection procedures and requirements; responsibilities of the contractor and the assisted homeowner; change order procedures; payment requests and procedures; lead-based paint requirements; role of the Construction Coordinator; complaint and conflict resolution procedures, payment and/or performance bonding and insurance requirements, payment schedules and other programmatic procedures. The second part will consist of a walk-through of the house for rehabilitation / reconstruction assistance. 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.

XIV. CONTRACTOR QUALIFICATIONS

In order to be eligible to participate in the construction work financed under the Webb County Housing Rehabilitation 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 as required by the State of Texas. Additionally, the contractor must carry general liability and property damage insurance from an A- or better rated insurance company in accordance with the Key Best Insurance rating system for rehabilitation / reconstruction work done within Webb County in the amount of \$500,000. This insurance must be applicable to construction work done in Webb County and must be in effect during the contracted period.
- C. Interested contractors may request to be placed on the bidders' list by submitting all required contractor certifications and insurances to the Construction Coordinator in order to be placed on the bidders' list and thus be included in the bidder's invitation packages.

- D. The contractor will be considered to be a non-responsible bidder if his/her past performance on other rehabilitation, remodeling, or reconstruction projects were not acceptable to Webb County.
- E. The Administering Locality's Contractor Selection Procedures are as follows: Bid proposals will be submitted separately for each residential property; and, bidders comply with all requirements as set forth by the Webb County Purchasing Agent.

XV. DEFERRED LOAN APPROVAL AND CONTRACTOR BID AWARD

- A. The Community Action Agency Executive Director will submit each eligible application, along with the construction bids received for each structure to the Webb County Commissioner's Court for their consideration and review. The Webb County Commissioner's Court will either accept or deny the application for a rehabilitation/reconstruction deferred assistance loan.
- B. In the event that the Webb County Commissioner's Court approves the assistance; the County Judge will execute an assistance agreement with the applicant. The applicant may not select a contractor that did not place a formal bid on his/her contract. Such agreements and construction contracts will be executed on forms approved by the Webb County Civil Legal Division Attorney's.
- C. The construction agreement will be solely between the Rehabilitation/Reconstruction Contractor and the assisted homeowner. This Rehabilitation/Reconstruction Agreement will not be signed until after the applicant has a signed assistance agreement with Webb County, thereby becoming an assisted homeowner.

XVI. WORK INSPECTIONS AND FINAL PAYMENT

Inspections serve three purposes: a) to evaluate the contractor's progress; b) to confirm that the respective funding agency's minimum codes or standards have been satisfactorily met; and c) to confirm that all requirements of the contract have been met to all parties' satisfaction. Two inspections (initial and final) shall be performed by a qualified inspector for each rehabilitation/ reconstruction project.

A. Progress Inspections

- 1. The Construction Coordinator will schedule progress inspections throughout the contract period. Inspections shall be conducted at times when work can be evaluated for compliance and when project is nearing completion. A minimum of three inspections shall be performed for all projects.
- 2. Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made as promptly as possible upon request so as not to delay the processing of the contractor's payments. Contractor's payment request's will be accepted and paid in itemized phases. Contractors may request payments for each **completed** phase of the project, i.e. roofing, plumbing, electrical, and framing.
- 3. A licensed electrician must perform all electrical work. Contractor must provide proof of electrical inspection by City inspector when required by City of Laredo.
- 4. A licensed plumber must perform all plumbing work. Contractor must provide proof of plumbing inspection by City inspector when required by City of Laredo.

5. A Licensed HVAC Contractor must perform all HVAC work. Contractor must provide proof of HVAC inspection by City inspector when required by City of Laredo.
 6. Building permits are the responsibility of the contractor when required. Any fees or fines related to building permits and / or City inspections are also the contractor's responsibility.
 7. The assisted homeowner and the Construction Coordinator will sign the inspection forms as acknowledgement that the work was completed and meets their approval. If the assisted homeowner is not satisfied with any aspect of the work, the inspection forms should not be signed until the contractor has corrected the faulty work.
- B. Final Inspections
1. The contractor will notify the Construction Coordinator of a specific date when the job will be ready for a final inspection.
 2. The final inspection will ensure that all deficiencies identified in the initial inspection have been completed according to specification.
 3. The Construction Coordinator will ensure that the assisted homeowner has received all warranties, inspection reports and instruction booklets for installed equipment and appliances.
 4. The assisted homeowner, contractor and the Construction Coordinator as a result of the final inspection will develop the punch list, representing work yet to be done. Additional work over and above the original or amended contract may not be included in the final punch list.
- C. Owner Acceptance
1. After all items on the punch list have been satisfactorily completed, and all warranties issued and release of liens submitted, the project can be brought to final resolution. For purposes of accountability, the Construction Coordinator must have written documentation that the assisted homeowner and Rehabilitation Coordinator have accepted the work.
 2. The assisted homeowner may not include in the punch list items which were not included in the original work write-up/contract except when such items are required under Texas Minimum Construction Standards (TMCS).
- D. Warranties and Liens
1. When final inspections are completed, the Construction Coordinator will obtain from the contractor a "Lien Waiver Affidavit" and the contractor's request for payment. After receipt of these items, the Construction Coordinator will order a request for funds, and upon receipt of the funds, disburse the funds to the contractor. Webb County will retain 5% of the funds pending a supplemental inspection in no less than thirty (30) days. Following a satisfactory supplemental inspection, the retainage payment will be submitted for processing.
 2. If any problems are identified in this supplemental inspection, the Construction Coordinator will then notify the contractor to come back and correct the same within a reasonable amount of time, not to exceed two weeks. Should the contractor fail to do so, Webb County will not disburse the retainage, the assisted homeowner may take any necessary legal recourse, and the contractor will be barred from performing any more rehabilitation/reconstruction work for Webb County. In addition, should the contractor be doing other work under this Housing

Assistance Program and fails to correct any warranty problems, no other payments will be made to him/her until such problems are corrected.

3. All work performed by the contractor will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from his or her work under this contract. All plumbing and electrical workmanship shall be guaranteed for a period of one (1) year from the date of the passed final inspection. The homeowner must inform the Construction Coordinator of any concerns the homeowner believes may be covered under contractor;s warranty. The construction coordinator shall determine if contractor is liable and proceed accordingly. Should the contractor fail to correct any warranty covered items, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation contract. A reasonable amount of time will be given to correct the problem. This guarantee will not cover any work not included in the original or amended contract and will not include expected reasonable wear and tear.
5. Webb County reserves the right to withhold contractor's payments for any rehabilitation / reconstruction project. Should a contractor fail to correct any valid warranty problem, the County may exercise the right to withhold payments until the warranty is granted.

XVII. COMPLAINTS AND DISPUTES

Complaints are either informal or formal. An informal complaint is usually made by the assisted homeowner or contractor to the Construction Coordinator or to housing rehab staff. If the complaint is not resolved at the staff level a formal complaint may be submitted in writing to the Executive Director of the Webb County Community Action Agency. If the assisted homeowner does not agree with the proposed resolution the assisted homeowner may choose to address the commissioner's court.

XVIII. FILES AND REPORTS

Webb County will maintain accurate Housing Rehabilitation Program files and records for general administration activities, for each applicant, and for each assisted homeowner for a minimum of three (3) years or as required by the respective funding agency.

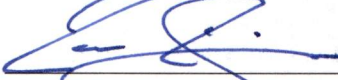
XIX. CHANGES, WAIVERS, AND/OR CONFLICTS

- A. The Executive Director of the Webb County Community Action Agency will be authorized to make word changes and amendments to these guidelines, on a case-by-case basis, in order to address urgent issues that were unforeseen but will facilitate or assist in carrying out the overall objective of the program or issues that may arise between County Commissioner's Court meetings and only if the proposed word change or guideline amendment is approved by TDHCA, Office of Colonia Initiatives (OCI). Details and backup documentation for each particular case will be maintained in the files to justify all changes or amendments including TDHCA, OCI approval. The Webb County Commissioner's Court will have the right to change, modify, or revoke all or any part of these Housing Rehabilitation guidelines by a majority vote of the governing body. However, the respective

funding agency must be informed of such changes and if the changes are substantial and do not meet the respective funding agency requirements, then in that event the respective funding agency will have the final word on the issue.

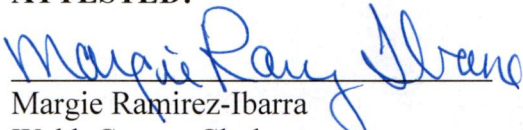
Passed and approved this 14th day of January, 2019 by the Commissioners' Court of Webb County, Texas.

WEBB COUNTY, TEXAS



Tano E. Tijerina
Webb County Judge
Date: January 31, 2019

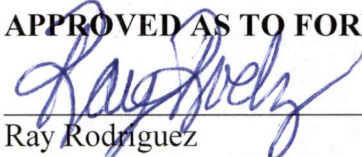
ATTESTED:



Margie Ramirez-Ibarra
Webb County Clerk



APPROVED AS TO FORM:



Ray Rodriguez
Assistant General Counsel
Webb County Civil Legal Division

* The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

Passed and approved by the Webb County Commissioners Court on January 14th, 2019; Item No. 7c.

MARGIE R. IBARRA
COUNTY CLERK
FILED

2019 FEB -8 AM 8:04

WEBB COUNTY, TEXAS

BY *12* DEPUTY

