



**CITY OF BROWNSVILLE**  
**HOME/ COMMUNITY DEVELOPMENT BLOCK GRANT**

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**OPTIONAL RELOCATION PROGRAM**  
**PROGRAM GUIDELINES**

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*Unless herein stated otherwise, general operating procedures contained in the HOME/ COMMUNITY DEVELOPMENT BLOCK GRANT ADMINISTRATIVE GUIDELINES will be followed.*

**I. PURPOSE**

- A. The City of Brownsville, Texas, acting by and through the HOME/ Community Development Block Grant Program and other local, state, or federal funds, will provide certain relocation payments and assistance necessary to accomplish the voluntary relocation of eligible homeowners from dilapidated structures into adequate, decent, safe, and sanitary dwellings. In addition, the City will also promote the elimination of slum and blight which exists in the City.
  
- B. Relocation payments and assistance will be carried out under the City's HOME/ Community Development Block Grant Program as an eligible expense from project funds. Assistance shall be subject to the availability of grant funds and U.S. Department of Housing and Urban Development (HUD) implementing regulations. Administrative procedures will be modified to meet any change in rules and regulations of HUD which may occur over time.

**II. DESIGNATED AUTHORITY**

- A. Administrative authority for implementation of the program will rest with the Office of City Administrator. The office will serve as the approving office for Rehousing Agreements and for contractual and budget changes as needed for project completion.

- B. The HOME/ CDBG staff will have the responsibility for final determination of the amount of relocation assistance to be made available to individual applicants in accordance with the implementing procedures. This determination will be based upon evaluations of the costs to be incurred by alternative housing options and upon needs of individual applicants with respect to temporary relocation assistance and other expenses required in order to facilitate the rehousing of the occupants.
- C. The HOME/ CDBG Staff will be responsible for approval of applicant eligibility for the program, denial of assistance for criminal activity, and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants on the City's list of houses which have been determined not to be feasible for rehabilitation under the City's Owner-Occupied Housing Rehabilitation Program.

### **III. IMPLEMENTATION PROCESS**

Steps in implementing the program will be as follows:

- A. HOME/ CDBG Staff maintains a list of applicants for housing rehabilitation program assistance where a determination has been made that the structure is not feasible to rehabilitate to minimum standards under the City's Owner-Occupied Housing Rehabilitation Program. Eligibility requirements for this program must be met for applicants to be placed on the Optional Relocation Program list.
- B. Homeowner is notified that the rehabilitation of the structure has been determined to be infeasible.
- C. Staff evaluates applications for relocation assistance and prioritizes the processing of applications based upon relative need due to conditions of the dwelling unit and occupant characteristics as specified in Section VI. Staff processes applications as possible under funding and staff limitations.
- D. Homeowner is informed of available housing options, including relocation payments and assistance.
- E. Homeowner submits a Replacement Housing Assistance Request, acknowledging receipt of information explaining the City's program, and requesting relocation payments and assistance to enable homeowner to obtain suitable and adequate housing.
- F. HOME/CDBG staff determines whether or not approval of homeowner's Replacement Housing Assistance Request reasonably may be expected to result in the successful and feasible rehousing of the homeowner. In cases in which the homeowner's general health or income level would preclude his or her adequate

and responsible operation of a replacement dwelling; and/or cases in which the costs of the replacement dwelling would be substantially above the costs of typical cases; and to the extent that the probability of the City reaching its HOME/ CDBG program goals would be endangered due to cost overruns, the homeowner's request may be denied. Assistance from the City of Brownsville Office of Grant Management and Community Development Department may also be denied under reasonable determination that any household member is currently engaging in or has engaged in or is on or has been on probation or parole or the subject property is being used or has been used for any of the following during the previous 3 years prior to application for assistance:

- (1) Drug-related criminal activity;
- (2) Violent criminal activity;
- (3) Other criminal activity that would threaten the health or safety, of the residents of neighboring property, or of the right to peaceful enjoyment of such neighboring property; or
- (4) Other criminal activity that would threaten the health or safety of any employee, contractor, subcontractor or agent of the City of Brownsville who is involved in any HOME/Community Development Block Grant activity.

The homeowner will be notified in writing of the determination and, if the request is not approved, the reasons for denial. When the determination is approval of the applicant's request, a Notice of Approval will be sent informing the homeowner that the City is authorized to enter into a Rehousing Agreement with the homeowner for a specified Replacement Housing Payment determined appropriate by the City pursuant to its Relocation Policy. Prior to any agreement being executed between the homeowner and the City, the Community Development division will comply with the public disclosure and notification/authorization to and from HUD requirements according to 24 CFR Part 70, Section 104 (d), Relocation and One-for-One Replacement Housing Requirements.

- G. A Rehousing Agreement is executed between the homeowner and the City, under the terms of which homeowner agrees to move permanently and voluntarily from the dwelling on or before a specified date. The City agrees to provide the homeowner with a specified amount of Replacement Housing Payment to be used for the sole purpose of obtaining a suitable decent, safe, and sanitary replacement dwelling.
- H. HOME/ CDBG staff will provide counseling and assistance as needed to approved homeowners in order to facilitate the homeowner's rehousing, including referrals to builders, suppliers, and real estate sales persons; and, in extreme hardship cases, provision of temporary housing or reimbursement of temporary housing expenses

and reimbursement of moving, storage, and other necessary expenses related to rehousing the applicant as specified in the terms of the Rehousing Agreement.

- I. The homeowner and HOME/CDBG staff agree to the arrangement and method of the approved payments to the homeowner. All payments will be made directly to the homeowner unless it is requested in writing that such payments be assigned to a contractor, seller, or other party designated by the applicant.
- J. After the homeowner and HOME/CDBG staff have agreed to the arrangement and method for approved payments, the homeowner will execute a contract with a builder, supplier, or seller for the selected replacement dwelling. The homeowner will also contract for the demolition of the substandard dwelling and for lot and site clearance and preparation.
- K. When appropriate, the homeowner voluntarily vacates the substandard dwelling.
- L. The replacement dwelling is constructed or purchased, and appropriately inspected by the City to determine adequacy and compliance with City codes.
- M. City certifies that the replacement dwelling is decent, safe, and sanitary and ready for occupancy. City issues Certificate of Occupancy.
- N. Homeowner accepts replacement home.
- O. All remaining approved payments are made to homeowner at a formal closing ceremony, and homeowner acknowledges receipt of payment.
- P. Upon completion of all actions in regards to relocation, homeowner acknowledges in writing that all payments, assistance, and conditions of the Rehousing Agreement have been received to the applicant's satisfaction.
- Q. Homeowner occupies replacement structure.

#### **IV. ELIGIBILITY REQUIREMENTS**

Eligibility for relocation payments and assistance shall be established as follows:

- A. Applicant must have applied for rehabilitation assistance under the City's Owner-Occupied Housing Rehabilitation Program.
- B. Applicant must have been rejected for rehabilitation assistance on the grounds that the applicant's occupied dwelling was not feasible to rehabilitate.

- C. Applicant must be an owner occupant of the dwelling for which rehabilitation assistance is requested and reside within the City of Brownsville. The dwelling must be the applicant's principal residence prior to the submission of a completed application for assistance.
- D. Applicant must present proof of ownership by General or Special Warranty Deed. City staff will verify proof of ownership with title searches as necessary on the property where the dilapidated structure exists and/or the site where the replacement housing will be built. In situations where the applicant does not have clear title, attempts to clear the title will be initiated with the assistance of the applicant. When meeting this guideline requirement is not feasible, applicant must present proof of ownership. The City reserves the right to reject an application on the basis of existing liens.
- E. Applicant must establish that all property taxes are paid on the property to be vacated (and/or the proposed construction site) and that all other tax liens are satisfied or released. No assistance will be provided on properties with taxes in arrears unless the owner commits to a payment plan acceptable to the taxing authority and to the City.
- F. Applicants shall provide complete and accurate information regarding their household composition, household income, and housing situation. Failure to disclose information which may affect eligibility requirements shall also constitute fraud. Applicants shall be required to make full restitution to the City in the event HOME/ CDBG assistance is provided to applicants who provided inaccurate or incomplete information in order to meet eligibility requirements. Requests for further assistance will be denied unless restitution is made in full.
- G. Applicants will agree to conform with Brownsville's Code Enforcement requests prior to being determined eligible for replacement housing assistance. Applicants agree to maintain dwelling and exterior grounds in accordance with applicable city ordinances.

## **V. FEASIBILITY OF REHABILITATION**

- A. Feasibility of rehabilitation of property to minimum program standards will be made following a detailed inspection of the property by CDBG program staff. This inspection includes completing a list of deficiencies which must be corrected in order to bring the structure into compliance with HUD and the City of Brownsville codes.

B. Feasibility of rehabilitating structures under established program limits will be determined by an assessment of the following two criteria:

1. The estimate of costs needed to correct all code violations (or to remedy immediate threats to health and safety in emergency cases) must fall below program limits.
2. Where all code violations are to be corrected, rehabilitation costs shall not exceed 50% of the total estimated replacement cost of the structure after rehabilitation.
3. If the estimated value of the structure after rehabilitation is determined to be less than the value of a same or similar type replacement dwelling, the City may determine the unit infeasible for rehabilitation assistance.

Units not meeting these standards will be determined infeasible for rehabilitation assistance and, therefore, eligible for relocation assistance.

## **VI. SELECTION OF RECIPIENTS FOR ASSISTANCE**

- A. Initial recipients of this program will be taken from the list of homeowners residing in structures determined to be infeasible to rehabilitate. Additional recipients will be added during subsequent operation of the City of Brownsville Owner-Occupied Housing Rehabilitation Program. All recipients must be qualified according to the U. S. Department of Housing and Urban Development guidelines.
- B. The number of recipients to receive assistance will be subject to availability of funds.
- C. HOME/ CDBG staff will evaluate applications from the list of structures determined to be infeasible to rehabilitate. Based upon this evaluation, a recommendation will be made as to the order of applicants to be assisted.
- D. Criteria to be used to make this evaluation will include the following items listed in priority order:
  1. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluation of factors such as availability of basic services including water, sewer, electricity, and structural deficiencies of the unit.
  2. Health and handicapping disabilities of occupants which necessitates the unit to be handicapped accessible.

3. Time and date of application.
4. Location of structure in a floodplain or floodway.

## **VII. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES**

- A. The primary form of assistance to be provided will be the use of HOME/ CDBG funds to pay for the cost of the replacement dwelling. The allowable budget authority will not exceed **Twenty-Five Thousand** ( \$25,000.00) for Rehabilitations and will not exceed **Eighty Eight Thousand Nine Hundred Dollars. (\$88,900.00)** for reconstructions. The allowable budget for relocation per project is \$ 2,450.00. The total project cost (including cost of demolition, site preparation, temporary rehousing expenses, and cost of replacement dwelling).
- B. A lien and a deferred, forgivable loan commensurate with the construction cost amortized for a 5-10 year period will be placed on all replacement dwellings for a period of five to ten years. The loan will be forgiven at a rate 10 % to 20% rate annually on the anniversary date of the lien. If the house is sold or transferred before the lien period expires, the amount of credit is subtracted from the total loan amount, which is then owed and due to the HOME/ CDBG program and received and used thereof as program income. The City of Brownsville will be the lienholder on all replacement housing.

### **The lien will not be forgiven until the following conditions are met:**

1. the homeowner must reside in the unit for a period not less than five(5) or ten (10) years; and
2. the property must be maintained to meet city code requirements; and
3. homeowner must provide documentation of adequate homeowner's insurance, including casualty and fire coverage, and the City must be listed on the Certificate of Insurance to be notified in case of policy cancellation;

NOTE: If within the affordability period the homeowner defaults, the loan will be called due in in full. The City will make every effort to work with the homeowner to avoid default and will examine each situation on a case-by-case basis.

- C. Allowable expenses will include:
  1. Replacement Housing Payment to family to be used for one of the following rehousing options:

- a. an adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on the ORIGINAL SITE (LOT) of the dwelling vacated by the homeowner.
  - b. an adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on an ALTERNATE SITE in a designated revitalization area in the City of Brownsville provided by the homeowner.
  - c. an adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on a SITE PROVIDED by the City of Brownsville with the agreement that the homeowner will trade lots with the City, if available.
2. Cost of total demolition and clearance of the dilapidated structure, lot clearance, and preparation of job site for new replacement dwelling.
  3. City approved actual and reasonable moving expenses, plus storage of homeowner's belongings as needed.
  4. Cost of utility and appliance transfers and hookups as necessary.
  5. Closing and settlement costs related to purchase of replacement dwelling.
  6. Cost of temporary housing in extreme hardship cases when determined necessary by the HOME /CDBG staff.
  7. Other expenses determined necessary to facilitate the relocation of the homeowner.
- C. HOME/ CDBG staff will also provide assistance and counseling to applicants as needed, including the following:
1. Information on the program and rehousing options available.
  2. Assistance in soliciting bids for replacement housing.
  3. Assistance in temporary relocation and related concerns.
  4. Assistance in contractual compliance between homeowner and contractor.
  5. Assistance in inspection of construction of replacement dwelling, if applicable.



6. Assistance to applicant in evaluation of future maintenance burdens of various housing options.

### **VIII. REHOUSING AGREEMENT**

- A. Each applicant assisted through the program will sign a Rehousing Agreement with the City which outlines the responsibilities of each party. The agreement establishes a date on which the homeowner agrees to permanently vacate the present structure, agrees to demolition of the present dilapidated structure, agrees to occupy the replacement structure when structure is completed and ready to be inhabited, and agrees that temporary housing will terminate when structure is ready for occupancy as determined by the City of Brownsville.
- B. The Rehousing Agreement outlines the City's responsibility to provide a replacement housing payment, if necessary, that includes bearing the cost of temporary relocation and moving expenses that have been determined reasonable, and obligates the city to bear the cost of utility and appliance hookups and other fees which may be necessary to make the rehousing possible.

### **IX. FINAL INSPECTION - CERTIFICATE OF OCCUPANCY**

The City of Brownsville will be responsible for final inspection of all housing units made available through the program to determine that the replacement unit meets all City of Brownsville and HUD codes. Final payment will not be made until the City of Brownsville has issued a Certificate of Occupancy for the replacement unit and all items identified in a "punch list" have been corrected. This Certificate of Occupancy will serve as evidence to HUD of the City's determination that the dilapidated structure has been replaced by a decent, safe, and sanitary dwelling and that the family has been successfully relocated.