I. PROGRAM DESCRIPTION

A. GENERAL

Each Owner-Builder must submit an application to the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program. Owner-Builder will be deemed eligible by the Office of Colonia Initiatives (division of TDHCA). The NOHP operates as a Nonprofit Owner-Builder Housing Provider through which the Owner-Builder will receive training in home construction and rehabilitation. Owner-Builder may work in teams with other residents and NOHP staff to construct or complete each of their homes. All Owner-Builders are required to provide a minimum of 65% of the labor necessary to build or rehabilitate their home. The assignments are based on the loan required to finance construction. In return, the Owner-Builder receives technical and construction assistance, budget and homeowner counseling. The Owner-Builder is eligible for loans that they would not normally access in the private sector. All residences will be categorized as single-family units.

B. CONSTRUCTION PERIOD

The construction, reconstruction or rehabilitation of the houses may not exceed twelve months. The NOHP will do all within its capacity to facilitate the timely completion of construction.

II. TERMS OF THE LOAN

A. APPLICATION

The NOHP staff will assist the Owner-Builder in completing the mortgage loan application for the Texas Bootstrap Loan Program to finance the construction, rehabilitation or the purchase of the home. Maximum loan amount from TDHCA is $45,000.

B. SITE PREPARATION

All sites must have basic utilities, electricity, public water supply and an approved sanitation system or service. The Program does not cover costs for installation of utilities. The site must also be clear of hazardous materials. Debris and trash is not allowed within the construction zone.

C. COLONIA LOT REQUIREMENTS

The Owner-Builder is required to have legal ownership of a lot that meets the following criteria:

- Has access to municipal water service;
- Has a certified septic tank installed or public sewer available;
Has adequate drainage;
Not in a known flood plain;
No additional dwellings on lot upon project’s completion;
Payments on property are current; and
Payments of taxes are current.

III. RESPONSIBILITIES OF THE NOHP

A. OVERSIGHT

- The NOHP agrees to manage construction procedures to assure compliance with applicable building codes.
- The NOHP agrees to oversee the quality control of all materials and contract or volunteer workmanship.
- The NOHP agrees to identify materials and the applicable building code. If no building code is applicable, the housing must be inspected by a professional inspector licensed by the Texas Real Estate Commission.

B. TRAINING

NOHP staff will provide the Owner-Builder training on home construction including:

- Safety
- Framing
- Roofing
- Interior finish
- Exterior finish
- Insulation
- Floor Installation
- Electrical and Plumbing Installation
- Sustainable energy practices
- Homeowner education

IV. SWEAT EQUITY REQUIREMENTS

The Owner-Builder understands that family members and friends 18 years of age and older are permitted to provide labor to the project. Individuals 16 – 17 years of age may also contribute labor with parental supervision and signed parental permission allowing them to work.

All Owner-Builders are required to provide through personal labor at least 65% of the labor necessary to build or rehabilitate the proposed housing working through a state-certified NOHP; or provide an amount of labor equivalent to 65% in connection with building or rehabilitating housing for others through a state certified NOHP; provide through the noncontract labor of friends, family, or volunteers and through personal labor at least 65% of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP or if due to a documented disability or other limiting circumstances the Owner-Builder cannot provide the amount of personal labor otherwise required, provide through the noncontract labor of friends, family or volunteers at least 65% of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP. The time provided at _____ and at residences of other Owner-Builders will be accrued and recorded in hours and quarterly hours.
towards the balance of total hours due. The NOHP Director determines the total project hours and is the designated timekeeper.

V. SAFETY

The NOHP is very concerned about safety. The NOHP’s Construction Specialist will use due diligence to verify that the Owner-Builders are physically and mentally ready for work. Staff will periodically review safety procedures with Owner-Builders and ensure that the work environment is safe and free of hazards. The Owner-Builders are responsible for themselves and others working on the units. The Owner-Builders are required to follow the NOHP staff’s instructions.

The Owner-Builders agree to attend the safety sessions scheduled by the Construction Specialist or NOHP Director. The Owner-Builders agree not to use any tools until they have received training in the safe and correct operation of the equipment.

NOHP staff is not liable for any injury incurred by Owner-Builders or family members and/or friends on the work site.

The project site is a work site and each Owner-Builders will acknowledge that they are responsible for their actions and those of their family. Insubordination to NOHP staff and disruptive behavior will lead to a written reprimand or termination. The use of drugs or alcohol will not be tolerated during work sessions. Any Owner-Builders or volunteers under the influence of drugs or alcohol will be asked to leave the work site and will be reprimanded in writing. Owner-Builders refusing to leave the premises or repeated occurrences will result in cancellation of the work session and can lead to the termination of the Agreement.

GENERAL CONDITIONS

A. Compensation

Although Participation in the program is voluntary, sweat equity and training are conditions of the Texas Bootstrap Loan Program. The Owner-Builders understand that all labor they provide and meeting attendance is voluntary. The NOHP will not pay the Owner-Builders or volunteers for any work performed in the course of the Program.

B. Liability

The NOHP will not provide workers’ compensation or insurance for the Owner-Builders or volunteers in the event of an injury. The Owner-Builders or volunteers will not be at the work sites unless the homeowner’s insurance policy is in effect at a given work site.

C. Termination of Agreement

The NOHP reserves the right to terminate this Agreement if the Owner-Builders does not comply with any of the terms of the contract. The NOHP will provide the Participant with written notice of cancellation of the Agreement.

VII. MODIFICATION

The NOHP reserves the right to modify this Agreement as needed to conform to requirements imposed by any governmental agency that finances this Program. Otherwise, the Agreement can only be modified by a written agreement signed by both parties.
ACKNOWLEDGED:

Owner-Builder’s Signature

Type/Print Owner-Builder’s Name

Owner-Builder’s Signature

Type/Print Owner-Builder’s Name

NOHP’S AUTHORIZED AGENT’S SIGNATURE

Type/Print NOHP’S & AUTHORIZED AGENT’S NAME