

Marvin Jones

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Texas General Land Office
PO Box 12873
Austin, Texas 78711-2873
cdr@recovery.texas.gov

Attn: GLO-CDR

Re: Harvey Homeowner Assistance Program (HoAP): Determination of Eligibility - No Unmet Need
Applicant ID No: HoAP-372-86, 2019 Fernspray Lane, N/A, Houston, TX 77084
Third Appeal and Complaint

This letter is in response to your letter of January 15, 2021, concerning the above-referenced subject. It contains my Third Appeal to the determination made by the Texas General Land Office regarding no unmet need as it relates to the Duplication of Benefits (DOB) as well as another formal Complaint about the HoAP. For the record, my Third Appeal and Complaint again includes the following:

- Project Address: 2019 Fernspray Lane, Houston, TX 77084
- Project Number: HoAP-372-86
- Date of Third Appeal & Complaint: February 12, 2021
- Nature of Appeal & Complaint: See Below

In regards to the “**no unmet need**” issue, this Third Appeal will show that the HoAP’s assessment about this aspect of my claim is no longer correct. This is explained below.

Also, in what I told you in my First Appeal, then repeated in my Second Appeal, and am again reiterating in my Third Appeal, **“My need is to be reimbursed for the money that my wife, Donna, and I spent on rebuilding the house before we ever received the SBA Loan. And, in rephrasing the wording used in my previous appeals, to also be reimbursed for the money we spent for rebuilding the house during the rebuild of the house.”** The SBA Loan is a “LOAN” that Donna and I have to pay back over the next 30 years and this is extremely difficult for us to do on a very limited income. That is just one of the reasons why we are seeking reimbursement.

In regards to the **DOB** issue, this Third Appeal will also show that the HoAP’s assessment about this aspect of my claim is no longer correct. Because the old ruling was over turned in June 2019, and as a matter of curiosity, please tell me why the HoAP is continuing to use this as an excuse to deny my claim?

Per the 2nd paragraph of your letter, it was also disturbing to learn the HoAP valued the scope of work for my house at only **\$128,225.19** which is not a realistic amount. This is because the HoAP’s hypothetically-valued amount did not include, among many other things, any mark-up for the higher costs for labor and materials due to the shortage of contractors, materials, and other items required for the

rebuild in an area that was damaged by a National disaster. Also, many of the contractors were inexperienced and/or dishonest which passed even more costs back onto the home owners. And, the amount did not include any ancillary expenses, which the HoAP apparently doesn't know much about, that are incurred in the rebuild of a flood damaged house. So, as you can understand, the hypothetically-valued amount was neither fair nor reasonable when taking into account the conditions under which our house was rebuilt. **Moreover, such amount is not even applicable in our case because the house had already been rebuilt and all costs associated with the rebuild are based on "actual and documented" costs.**

- IMPORTANT - First, I want to know why the HoAP did not ask me for an account of my expenses for rebuilding the house to begin with? After all, the house had already been rebuilt before we ever submitted our claim for reimbursement.

Enclosed with this letter is a write-up titled "Construction Contracts" which provides an account of all actual and documented costs that we incurred to rebuild our house (see Enclosure #1). This write-up is a continuation, or Revision 1, of the information I provided in SBA Form 1366 and submitted to the SBA on 6/15/18 to obtain the last disbursement of our SBA Loan. The write-up contains a summary about the 2 construction contracts that Donna and I had to enter into in order to get our house repaired. Both contracts list the work performed and costs incurred in the rebuild. All of the costs are supported by receipts that are referenced in spreadsheets which form a part of the write-up. This same supporting documentation was included in my monthly Expense Reports that I sent to the SBA and FEMA during the rebuild and I will be happy to send them to you upon request. The HoAP should have asked for this information from the very beginning instead of building its hypothetically-valued amount for rebuilding the house to use against my claim.

The amounts shown in my write-up and its spreadsheets are presented in a format similar to the HoAP "Duplication of Benefits (DOB) Reconciliation Worksheet". As such, this prompts me to ask the questions listed below (see underlined wording) while also pointing out corrections that should be made on the DOB Reconciliation Worksheet:

1. Since the Paragraph at the top of the DOB Reconciliation Worksheet says the Worksheet applies to "household/property", is HoAP limiting my claim to just the "house" and not all of my other "property"? The reason I am asking is because "all" of my property damaged by the flood included the house, its contents, our 2 vehicles, storage shed, landscape, and many other things. Therefore, if the claim can include "all" of our "property", then it must be revised to reflect all the other things as well. Please advise.
2. Another reason why I asked Question No. 1 is because **Item 1F** on the Worksheet shows we received **\$171,800.00** from the SBA for covering the cost of repairing our house, its contents, and 2 vehicles. But, in regards to only the house, this amount is not correct. Only **\$133,300.00** was allocated by the SBA to cover the cost of repairing the house. So, why is the full amount of the SBA Loan being shown?
3. **Item 1I** on the Worksheet shows we received **\$219,620.99** as the Total Funds Received from Other Sources. This amount is not correct. Only **\$181,120.99** was received for repairing the house (see my write-up titled "**Construction Contracts**" in Enclosure No. 1 for all of my costs referenced herein.)
4. **Item 3A** on the Worksheet shows HoAP's hypothetically-valued amount of **\$128,225.19** as the amount for Total Work in Place. This amount is not correct. All actual and documented costs for rebuilding the house amounted to **\$179,323.66**.

5. Per my write-up titled “**Construction Contracts**”, the **\$22,222.79** Over Run of costs charged by Contractor No. 1 should be included in **Item 3D** as Contractor Fraud for the reasons explained in the write-up.
6. The amount specified in **Item 3E** on the Worksheet again shows HoAP’s hypothetically-valued amount of **\$128,225.19** as the Total Expenditures. This amount is not correct. The actual and documented costs amounted to **\$179,323.66**.
7. The amount specified in **Item 3E** on the Worksheet again shows **\$128,225.19** as the Total Expenditures. This amount is not correct. Again, the correct amount is **\$179,323.66**.
8. The amount specified in **Item 3F** on the Worksheet shows **\$91,395.80** as Duplication of Benefits. This amount is not correct. The actual and documented costs amounted to **\$1,797.33**.
9. Finally, the amount specified in **Item 4A** on the Worksheet shows **\$10,492.80** as the Estimated Cost of Repairs (ECR) Remaining. This amount is also not correct for the reasons stated in the following note:

Note: When the HoAP Inspectors came to my house, none of them said anything to me about the ECR remaining even though I had prepared a list of the items that still needed to be repaired and tried to give it to them. But they declined to accept it. So, now that this list has a significant impact on the amount of reimbursement which I should receive, I have revised it by providing a brief description about each item and, except for the Over Run by Contractor No. 1, have also shown the item in a photo.

From the list of “**ECR Items**” which is enclosed with this letter (see Enclosure #2), the estimated costs for repairing the items described in the list must be added to the **\$10,492.80** specified in **Item 4A** of the Worksheet. The total of all such costs is as follows:

<u>Item</u>	<u>Cost</u>
1. Over Run on Cost of Services by Contractor No. 1	\$17,650.00
2. Over Run on Cost of Materials by Contractor No. 1	4,572.79
3. Repair Leak near Water Meter	4,083.00
4. Build Stand & Raise A/C Condenser	1,400.00
5. Payment for Permit under Compliance Agreement	243.54
6. Hook-up Switches for Controlling Lights on Ceiling Fans	75.00
7. Replace Ceiling Fan in Guest Bed Bedroom	155.00
8. Replace Hanging Light Fixture in Dining Room	173.80
Total	\$28,353.13

When adding the **\$28,353.13** from the list of ECR Items above to the **\$10,492.80** specified in **Item 4A** of the Worksheet, it can be seen that the correct amount is now **\$38,845.93** for the ECR Remaining.

Now, based upon the actual and documented costs specified above and according to the calculations used by the HoAP, the amount of money that should be reimbursable to Donna and I can be determined as follows:

Total Funds Received from Other Sources	=	\$181,120.99
<u>Less Total Expenditures to Rebuild House</u>	=	<u>179,323.66</u>
Balance		\$ 1,797.33

Then, the amount of money that should be reimbursable to Donna and I should be equal to or essentially the same as the amount shown below.

ECR Remaining	=	\$38,845.93
<u>Balance</u>	=	<u>1,797.33</u>
Reimbursable		\$37,048.60

In reiterating the last paragraph in Enclosure #1, the above is just one example of the out-of-pocket expenses that we incurred as a result of Hurricane Harvey. In all honesty, I thought my losses on the house were much greater than what was determined by the above. This thought was based upon the over run of costs charged by Contractor No. 1, the frequency in which we had to withdraw more money from our savings to pay invoices, and the fact that we incurred, and are still incurring, other out-of-pocket expenses for replacing the contents of our house, vehicles, and other costs associated with the flooding of our property. So, as you can understand by now, Donna and I are still in dire need of being reimbursed for the money specified above.

Respectfully,

Marvin Jones



Enclosure #1: Construction Contracts
Enclosure #2: ECR Items
Enclosure #3: Compliance Agreement

My Documents/HoAP/Correspondence to HoAP/Letter-Third Appeal and Complaint