

# Single-Family Owner-Occupied Housing Program Guidelines

Rebuild Florida Housing Repair & Replacement Program for Hurricane Michael

May 20, 2021 Version 4.0



## VERSION HISTORY

1/28/2021	1.0	Initial Version Published
3/16/2021	2.0	Revisions to Feasibility Analysis, DOB gap scope reduction methodology, and reconsiderations contact information address.
4/7/2021	3.0	Revisions to the Mobile Housing Unit (MHU) thresholds for replacement.
5/20/2021	4.0	Updated to reflect 2021 HUD Income Limits.

## VERSION POLICY

Version history is tracked in the table above, with notes regarding version changes. The dates of each publication are also tracked in this table.

Policy changes within this document will result in the issuance of a new primary version number with a publish date clearly noted. For example, a change in eligibility criteria to the program would warrant issuance from Version 1.0 to Version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and the issuance of a new primary version number.

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# **1. Program Overview**

## **1.1 Purpose of the Program**

### **1.1.1 Introduction**

The Florida Department of Economic Opportunity (DEO) Office of Disaster Recovery (ODR) is the administrator of a Community Development Block Grant - Disaster Recovery (CDBG-DR) program funded by the U.S. Department of Housing and Urban Development (HUD) under Public Laws 115-254 and 116- 20.

DEO is the agency responsible and accountable to HUD for the administration of CDBG-DR funding, which has been allocated to housing, economic revitalization, and infrastructure programs – collectively implemented under the Rebuild Florida Program by DEO. DEO is administering the housing repair and replacement programs directly.

The Rebuild Florida Housing Repair and Replacement Program (HRRP) for Hurricane Michael will provide housing assistance to those affected by Hurricane Michael in October 2018. This will include single-family owner-occupants, owners of rental properties, and Public Housing Authorities (PHAs). This policy will address single-family owner-occupants only. Owners of rental properties may also be served; however, separate guidelines have been published for rental property owners. Guidelines can be found at [www.rebuildflorida.gov](http://www.rebuildflorida.gov).

The intent of the program is to address the remaining unmet housing recovery needs based on the notice in the Federal Register 85 FR 4681, January 27, 2020. DEO has developed these Single-Family and Mobile Home Housing Guidelines for the HRRP based on the information gathered during the unmet needs analysis and subsequent project descriptions created in the [State of Florida Action Plan for Disaster Recovery](#).

DEO initially allocated \$246,263,144 in CDBG-DR funding for HRRP. This value was determined based upon data obtained during the Action Plan development process, which showed significant unmet need related to homeowner repair, reconstruction, and replacement. However, the actual number of properties that may be served through this program will depend on several variables that are unknown at the outset, including market conditions such as cost of materials and labor, the number of repairs versus replacements, the number of replacements that are funded during prioritization phasing, and unforeseen circumstances such as additional disasters.

DEO has established two objectives for the HRRP. First, recognizing that the \$246 million allocation for housing repair will not meet all needs, DEO will prioritize assistance for at-risk and vulnerable populations. Second, in an effort to increase resilience and protect human life, in addition to following Florida building codes, DEO is requiring construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance.



The construction and compliance phase, as seen in Figure 2, is where repair, reconstruction, or replacement assistance is provided to the property owner through direct construction activities performed by the program and the result is a rehabilitated housing unit. After final construction activities and the completion of any compliance period, the grant will be closed out – meaning that all required documentation for HUD compliance and record-keeping will be completed.



Figure 2: Construction and Compliance

### 1.1.2 National Objective and Eligible Activities

The eligible activity for the program is Clearance, Rehabilitation, Reconstruction of Buildings (including Housing) as described in Section 105(a)(4) of the Housing and Community Development Act of 1974 (HCDA). Additionally, the state incorporates the waivers and alternative requirements described in 85 FR 4681, published on January 27, 2020.

The primary National Objective that is approved for the HRRP is to benefit LMI households<sup>1</sup>. 85 FR 4681 requires that 70% of program funds meet the LMI National Objective and that 80% of all funds be expended in the HUD-designated Most Impacted and Distressed (MID) communities. Eligible activities under this program include:

- Repairs to, reconstruction, or replacement of housing units damaged by Hurricane Michael
- The completion of work to homes that have been partially repaired.
- Temporary Housing Assistance is based on individual homeowners' needs and their participation in the program.
- Temporary Housing Assistance is based on individual tenant needs and their participation in the program. (In the Single-Family Owner-Occupied Housing portion of the Repair and Replacement Program, this form of assistance for tenants is expected to be rare, but when required, it will be provided consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs, 42 U.S.C. 4601 et seq., the regulations at 49 CFR 24, 70 FR 589, HUD guidance and associated waivers in the applicable Federal Register Notices for Hurricane Michael recovery).

### 1.1.3 Definitions

**100-year floodplain:** The area subject to inundation from a flood with a 1% or greater chance of being equaled or exceeded in any given year.

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<sup>1</sup>The Urgent Need National Objective is included in the approved Action Plan; however, assistance to LMI households is prioritized and funds will therefore only be available to non-LMI households after all unmet housing needs related to LMI households is met.

**Area Median Income (AMI):** The median (middle point) household income for an area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development (HUD). Once household income is determined, it is compared to HUD's income limit for that household size.

**Applicant:** Any individual who submits an application for assistance to the Rebuild Florida Housing Repair and Replacement Program for Hurricane Michael.

**Base Flood Elevation (BFE):** Base Flood Elevation as determined by the Federal Emergency Management Agency (FEMA), is the relationship between the BFE and a structure's elevation. It is used to determine flood insurance premiums. The Federal Register sets the minimum elevation requirements for homes that will be assisted with CDBG-DR funding and which require elevation. HUD has determined that structures designed principally for residential use and located in the 100-year floodplain that receive assistance for new construction repair of substantial damage or substantial improvement must be elevated with the lowest floor, including the basement, at least two feet above the BFE.

**Application Collection:** The initial step a property owner must take to seek benefits under the program. The application will result in the prioritization of an applicant if basic eligibility requirements are met.

**CDBG-DR:** Community Development Block Grant-Disaster Recovery.

**Common Area Under Roof:** The total area under the common roof is primarily interior, conditioned/climate-controlled spaces, and for single-story homes, equal to the footprint of the house. The term is also synonymous with the eligible area. In addition, exterior spaces or accessory structures such as detached porches and garages are not considered in the eligible area, and accessory structures that may be attached to the side of a home but not under the common roof are not considered eligible.

**Damage Assessment:** The initial opportunity for a program inspection of the structure damaged by Hurricane Michael in which all damages repaired at the time, and damages still to be repaired are officially documented in an estimating software that allows monthly market pricing and local sales taxes to be applied to program eligible materials and labor in a consistent report format. The damage assessment reports will contain a detailed sketch of the structure along with exterior and interior photos.

**Damage Repair Valuation (DRV):** The Damage Repair Valuation, or DRV, will represent the Xactimate determined value of the repairs completed by the homeowner, or those caused to be repaired by the homeowner, prior to the program application submittal for HRRP. The completion of the repairs will be verified by a program inspection during the initial site inspection process. The value of these repairs may be used in the duplication of benefits analysis and evaluation process.

**Demolition:** Clearance and proper disposal of substantially damaged or dilapidated buildings.

**Disability:** For the purposes of the program, "disability" is consistent with federal law under The Social Security Act, as amended, 42 U.S.C. §423(d), The Americans with Disabilities Act of 1990,

as amended, 42 U.S.C. §12102(1) -(3), and in accordance with HUD regulations at 24 CFR §§5.403 and 891.505.

**Duplication of Benefits:** A Duplication of Benefits will occur if the Rebuild Florida Housing Repair and Replacement Program for Hurricane Michael provides assistance to a homeowner for the same purpose (repair, replacement, or reconstruction) as any previous financial or in-kind assistance provided to a property owner for the repair, replacement or reconstruction of his or her home. By Federal Law, Rebuild Florida is prohibited from creating a Duplication of Benefits. This prohibition comes from the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and therefore, these other sources of funds must be deducted from any potential award.

**Elevation:** All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 1% annual (or 100-year) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), must be elevated with the lowest floor, including the basement, at least two feet above the 1% annual floodplain elevation. Elevation will be conducted by means of pier and beam construction, as per Florida building code. Fill dirt to achieve proper elevation height will not be eligible.

**Environmental Review:** All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws.

**Estimated Cost to Repair (ECR):** An ECR is used to verify Hurricane Michael damages to the property and determine the estimated scope of work to complete the repairs to the property and bring the property up to program standards.

**Family:** A household composed of two or more related persons. The term “family” also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being.

**Federal Register:** The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. It is published daily, except on Federal holidays. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each allocation of disaster funding.

**FEMA-Designated High-Risk Area:** Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. Properties located in these areas will be identified during the environmental review process.

**Flood Hazard Area:** Areas designated by FEMA as having a risk of flooding.

**Flood Insurance:** The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). In order to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- 100-year floodplain: the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.

**Green Building Standards:** All rehabilitation that meets the definition of substantial improvement, reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) EPA Indoor Air Plus (Energy Star a prerequisite), (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations, and Maintenance, or Neighborhood Development), or (4) ICC–700 National Green Building Standard.

**Housing Quality Standards (HQS):** The HQS established certain minimum standards for buildings. This includes new single-family homes and multifamily housing as outlined in 24 CFR 982.401. The HRRP uses these standards as a guideline to identify basic living quality deficiencies that should be addressed during the construction process when there is other identifiable Michael-related storm damage. The HRRP does not conduct a certified HQS inspection.

**HUD:** United States Department of Housing and Urban Development.

**Increased Cost of Compliance (ICC):** Structures damaged by a flood may be required to meet certain building requirements, such as elevation or demolition, to reduce the risk of future flood damage before the structure can be repaired or rebuilt. To help cover these costs, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance coverage for all new and renewed Standard Flood Insurance Policies. ICC is a potential source of Duplication of Benefits, as a supplement to an existing NFIP policy. Policyholders are only eligible to receive ICC payment if a Substantial Damage Letter has been issued by the local floodplain manager.

**Individual Mitigation Measures (IMM):** Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state or local construction or code requirements. In accordance with HUD's guidance, repair of housing units and the payment of flood insurance are not IMM activities. Examples of mitigation measures include elevation above the base flood elevation level or the addition of storm shutters, disaster-proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the disaster damage. However, mitigation measures are not eligible as standalone activities. They must be incorporated as part of a project that is otherwise addressing eligible repairs that are necessary as a result of Hurricane Michael.

**Low- to Moderate-Income (LMI) National Objective:** Activities that benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance. The most current income limits, published annually by HUD, will be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- **Very Low:** Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size.

- **Low:** Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size.
- **Moderate:** Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

**Mobile/Manufactured Housing Unit (MHU):** A structure, transportable in one or more sections which, in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein. Sometimes referred to as mobile homes. A MHU is built to the specifications required in the Manufactured Home Construction and Safety Standards Act of 1974, 42 U.S.C. 70 § 5401 et seq. MHUs display a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

**Most Impacted and Distressed (MID) Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The MID-designated areas include Bay, Calhoun, Gulf and Jackson counties; 32321 (Liberty), 32327 (Wakulla), 32328 (Franklin), 32346 (Wakulla and Franklin), 32351 (Gadsden), 32428 (Washington) ZIP codes, and the jurisdictions within the counties according to the [85 FR 4681, January 27, 2020](#). The state-identified MID areas also include those [counties that received both Individual Assistance \(IA\) and Public Assistance \(PA\)](#) through the Federal Emergency Management Agency (FEMA). State-mid counties include Holmes, Leon, and Taylor.

**NFIP:** National Flood Insurance Program.

**Not Suitable for Rehabilitation:** DEO defines "not suitable for rehabilitation" as one of the two following definitions:

1. Residential properties that have experienced repetitive losses under FEMA's National Flood Insurance Program (NFIP).
2. Dwellings that are considered substandard and do not meet the recovery program's housing repair standards and/or federal, state and local code requirements will not be deemed suitable for rehabilitation, as determined by the program and consistent with program guidelines. A structure is not suitable for rehabilitation if the cost of repair is unreasonable based upon program standards.

**Property Casualty Insurance:** Insurance that covers structural repairs to a home as a result of wind, fire, hail, wind-driven rain, tornado, hurricane, or natural disaster, other than flood.

**Reconstruction:** The demolition, removal, and disposal of an existing housing unit and the replacement of that unit on the same lot, and in the same footprint, with a new unit that complies with the International Residential Codes (IRC), as required by the Florida Code. The number of units on the lot may not increase and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased.

**Rehabilitation:** Repair or restoration of housing units in the disaster-impacted areas to applicable construction codes and standards.

**Replacement:** Demolition, removal, and replacement of a damaged MHU with a new MHU in substantially the same footprint or at a new location, if the original damaged unit was on leased land and the MHU owner must relocate to a new property. Relocation of a new MHU will require additional environmental review.

**Second Home:** Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for repair assistance or housing incentives. A second home is defined as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance. HUD has established an alternative requirement for second homes that may allow assistance in limited circumstances coordinated with HUD.

**Stick-built home:** A home that has been built on-site using traditional construction materials and methods.

**Subrogation:** Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, a homeowner must enter into a subrogation agreement where the funding agency (DEO) obtains the right to collect any additional disaster recovery assistance or insurance payouts the homeowner receives for the same purpose for which the CDBG-DR funds were provided (i.e. Hurricane Michael damages) after the homeowner has entered into a grant agreement for HRRP benefits.

**Substantial Completion:** The completion of the Estimated Cost of Repair and/or the program issued plans/specifications awarded to the contractor as documented by a passed Final progress inspection.

**Substantial Damage:** Based on the flood provisions of the Florida Building Code, damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred. The determination is only made by the local jurisdiction. The program will abide by these determinations.

**Substantial Improvement:** As defined in 24 CFR 55.2(b) (10) and as applicable to the HRRP, substantial improvement means any repair, reconstruction, modernization, or improvement of a structure, the cost of which equals or exceeds 50% of the market value of the structure either before the improvement or repair is started, or if the structure has been damaged and is being restored before the damage occurred.

Substantial improvement determinations are only made by the local jurisdiction. The program will abide by these determinations.

#### **1.1.4 DEO Housing Program Administration and Implementation**

DEO is undertaking several housing initiatives under the umbrella of the Rebuild Florida Program. DEO will administer all programs pursuant to the grant agreement between DEO and HUD. Table 1 below is presented to assist the public with an understanding of each of the other programs that will support Florida's recovery from the impacts of Hurricane Michael.

*Single-Family Owner-Occupied Housing Guidelines for Hurricane Michael*

<b>Program Name</b>	<b>Activity Name</b>	<b>Implementation</b>
<b>Housing</b>		
Housing Repair and Replacement	Single-Family Owner-Occupied & MHU	Direct
	Small Rental	Direct
	Multifamily	Direct
	Title Assistance	Direct
	Temporary Housing Assistance	Direct
Voluntary Home Buyout	Voluntary Home Buyout	Subrecipient
<b>Economic Revitalization</b>		
Hometown Revitalization Program		Subrecipient
Workforce Recovery Training Program		Subrecipient
<b>Infrastructure</b>		
General Infrastructure		Subrecipient

*Table 1*

The Program Name column designates the name of the program, as it corresponds to the activities outlined in the Action Plan. The Activity Name column designates any sub-category of activity within the program. The Implementation Column identifies whether the program and activity will be directly implemented by DEO or a sub-recipient.

Each program will have its own implementing guidelines. For example, this document is entitled the “Single-Family Owner-Occupied Housing Guidelines” and contains the policy guidelines for implementation of the Single-Family Housing Repair and Replacement Program, inclusive of traditionally constructed site-built homes, manufactured homes, and mobile home units.

Within DEO, directly administered programs are supported by contracted service providers<sup>2</sup> who augment DEO’s staffing capacity and professional services that are not typically within DEO’s staffing plan. Contracted service providers also provide technical assistance related to program design and federal rules and requirements. Table 2 below illustrates the roles and responsibilities for the Rebuild Florida Housing Repair and Replacement Program for Hurricane Michael relative to specific tasks.

<b>Task</b>	<b>Responsibility</b>
Application System	PROGRAM
Policy and Procedure Technical Assistance	PROGRAM
Policy and Procedure Approval/Finalization	DEO
Case Management	PROGRAM
Application Completion	PROGRAM
Damage Assessment Production	PROGRAM
Environmental Review Production	PROGRAM
Environmental Review Approval	DEO
Initial DOB/VOB Review	PROGRAM
File 1 <sup>st</sup> Level QA/QC at task level	PROGRAM
File 2 <sup>nd</sup> Level QA/QC for Eligibility Recommendation	PROGRAM
Final File Eligibility Review QA/QC Determination	DEO
Ineligible Notification	PROGRAM
Reconsiderations	PROGRAM

<sup>2</sup> HORNE is the contracted service provider selected to augment DEO’s staffing capacity to administer the Single-Family Housing Repair and Replacement Program for Hurricane Michael.

Informal Appeals	DEO
Appeals	DEO
Benefit Determination Letter Issuance	PROGRAM
Award Calculation	PROGRAM
Award Notification Letter Issuance	PROGRAM
Generation of Grant Agreement Closing Package	PROGRAM
Schedule and Close Grant Agreements	PROGRAM
Collect DOB Gap Payments and Deposit to DEO Account	PROGRAM
Maintain DOB Gap Payment Accounts and Financial Draw Down	DEO
Construction Bid Package Development, Issuance and Bid Selection	DEO
Issuance of Notice to Proceed	PROGRAM
Issuance of Notice to Construct	PROGRAM
Construction Progress Inspections	PROGRAM
Construction Final Inspections	PROGRAM
Construction Payment Request Review	DEO
Construction Payment	DEO
Initial Closeout Review	PROGRAM
QA/QC Closeout Review	PROGRAM
Final Closeout QA/QC and Approval	DEO

Table 2

## 1.2 HUD Income Limits

HUD publishes income limits annually in April. At program launch, HRRP used the 2020 HUD income limits by county to verify applicant household income. HUD issued new income limits on May 18, 2021. Applications received before May 18, 2021, will be evaluated based on the 2020 HUD income limits.<sup>3</sup> Any applications received on or after May 18, 2021 will be evaluated based on the 2021 HUD income limits.<sup>4</sup> The program will update the income tables for the program each year when the new income tables are made effective by HUD.

## 1.3 Program Requirements

1. All housing activities for the HRRP will meet the HUD National Objective(s) and eligible activity requirements as set for the HCDA and applicable Federal Register notices.
  - a. At least 70% of budgeted funds will benefit these populations as defined in the HCDA.
  - b. Activities carried out under the program must be eligible per Section 104 (b)(3) of the HCDA.
2. Homeowners applying for disaster assistance are processed by priorities based on the prioritization criteria outlined in Section 1.5 of these guidelines. The LMI demographic groups will be funded at a minimum level of 70% of total available funds (excluding planning and administration funds). Prioritization criteria are more fully detailed in Section 1.5.

<sup>3</sup> 2020 HUD income limits are available via the HUD user website: [https://www.huduser.gov/portal/datasets/home-datasets/files/HOME\\_IncomeLmts\\_State\\_FL\\_2020.pdf](https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_FL_2020.pdf)

<sup>4</sup> 2021 HUD income limits are available via the HUD user website: [https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn?inputname=STTLT\\*1299999999%2BFlorida&selection\\_type=county&stname=Florida&statefp=12.0&year=2021](https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn?inputname=STTLT*1299999999%2BFlorida&selection_type=county&stname=Florida&statefp=12.0&year=2021)

3. LMI Demographic Groups are:
  - a. 0%-30% AMI Very Low Income
  - b. 31%-50% AMI Low Income
  - c. 51%-80% AMI Moderate Income
4. The homeowner must meet certain eligibility standards to qualify for assistance. Eligibility standards are discussed in Section 2 of this document.
5. The property must pass a federally required environmental review. No construction may be undertaken until the environmental review is complete.
6. To receive program assistance, it must be demonstrated that the unrepaired damage to structures was the direct result of Hurricane Michael. Damage details are noted in Section 2 of this document.
7. ECR inspection must be conducted on both the interior and exterior of the structure to observe and record damages. The damage assessment must be completed in sufficient detail to develop cost estimates. This requires an inspector to have full access to the property for the documentation process.
8. The project costs must be reasonable and typical in the current marketplace for projects of similar scope and must exclude any duplication of benefits.
9. The project must comply with all applicable federal, state, and local requirements.

## **1.4 Applications**

1. Only completion and submission of the official Rebuild Florida HRRP for Hurricane Michael application, including the submission of all supporting documentation, will be considered as an application for program benefits.
2. Anyone who has submitted a prior application for disaster recovery assistance through a non-profit organization, federal, state, or local agency will need to submit a separate application specifically for Rebuild Florida HRRP for Hurricane Michael.
3. Submission of a public comment form or other written documentation of damage during public meetings or hearings does not constitute an application to the Rebuild Florida HRRP for Hurricane Michael.
4. Regardless of the number of individuals per household, there may only be one application per household. Duplicate applications will be closed so that only one application per property address remains active.
5. Qualification for assistance will be certified by program staff prior to the commitment of any funds to an activity or beneficiary.
6. Homeowners are not guaranteed assistance but will be served based on availability of funds, prioritization, and qualification for benefits.
7. Anyone who makes an inquiry about the program will be provided assistance to apply for the program during the open application period. At this time, there is no application deadline; however, the program will establish application deadlines in the future. Such deadlines will be publicized on the Rebuild Florida Webpage and program communications directed toward potentially eligible applicants who have not completed an application. These guidelines will be revised to include any future deadlines.

An applicant may request to voluntarily withdraw from the program at any time before construction begins. Should an applicant request to withdraw, and program funds have already been invested into the damaged property, the applicant will be responsible for the repayment of all program funds through a recapture process.

## **1.5 Priority Schedule**

At a minimum, 70% of program funds must meet the Low-and Moderate-Income (LMI) national objective as directed in 85 FR 4681, January 27, 2020. LMI households with one or more of the following characteristics, designated by the program as vulnerability factors, will be prioritized and processed in the order that they complete an application:

- Households with seniors age 62 and older.
- Households with children under the age of 18.
- Households with special needs or special accommodation requirements (disabled).

The three phases of priority are:

- Phase 1: Applicant is in a HUD- or state-designated Most Impacted and Distressed (MID) Area, is Low-to Moderate-Income (LMI), and has one or more vulnerability factors.
- Phase 2: Applicant is in HUD- or state-designated MID area and is LMI.
- Phase 3: Applicant is in HUD- or state-designated MID area and has a household income between 80% and 120%AMI.

Additionally, DEO is providing mobile intake services for home-bound individuals upon request and verification of disability, to ensure all households have an equal opportunity and support to complete an application.

As grant agreements approach full obligation of program funds, DEO will analyze the remaining potential eligible homeowner pipeline and may choose to re-allocate funds from one program to another or place remaining homeowners on hold until priority household homeowners are fully processed and their needs are realized. As program application intake production is monitored, DEO may choose to adjust the percentage of funding or re-allocate additional funding from other programs with less participation to maximize assistance for priority homeowners eligible and seeking HRRP assistance.

## **1.6 Program Education**

Program education will be provided to all homeowners to explain the details of the program, the application process, qualification and prioritization criteria, impacts of accepting an award, requirements for compliance after completion of activities, and long-term obligations incurred as a result of this funding. Program education is provided through one-on-one interactions between homeowners and program staff members.

## **1.7 Structure Types**

### **1.7.1 Eligible Structures:**

1. Single-Family stick-built dwelling units.
2. Attached structures under the common roof of the damaged single structure and/or permanently affixed structures not under the common roof.
3. MHUs
4. MHUs may only be replaced with another MHU where land-use restrictions do not prohibit

the replacement of the MHU.

5. Condominiums, townhomes, and other owner-occupied units that share a common wall may be eligible structure types. However, there are additional restrictions related to common areas in such structures. Reference Section 1.7.3 for additional restrictions specific to Condominiums, townhomes, and other structures with shared walls.
6. Duplexes. In the circumstance where the owner(s) of a duplex occupied one unit as his/her/their primary residence at the time of the storm, the duplex is an eligible structure type. If an owner did not occupy at least one unit of the duplex, the structure is ineligible for assistance from the program. Program funds may be used to fund the repair of both units of the eligible structures.
  - In the circumstance where there are different owners for each unit in the duplex or joint owners who occupy each unit separately, each unit shall be treated as a separate damaged property and each owner is eligible to apply for assistance for his or her individual unit.
  - If half of the duplex is a rental unit and occupied by a tenant, all URA notifications must be issued and URA requirements followed. Applicants are prohibited from evicting a tenant for the purpose of applying or participating in the program and will be ineligible for assistance if they do so. Applicants with a vacant duplex rental unit will be advised not to enter into a lease for the property and will be provided a copy of the "Move In" Notice to be issued to any prospective tenants prior to them signing a lease should they elect to rent the unit prior to construction. This notice informs prospective tenants that they will not be eligible for relocation assistance if they become displaced by program-related activities.
  - A duplex property may not participate or be eligible for both the Owner Program and Rental Program.
  - An applicant who is an owner-occupant within a triplex or quadruplex may apply under the Small Rental program and will therefore be subject to the Rental Guidelines
7. Structures that are used for both residential and commercial purposes will be considered for eligibility on a case-by-case basis; however, if the structure is approved, repairs should be limited to the residential portion.
8. Applicants who own a home on property with multiple unattached homes on the same lot (tax parcel) will be required to apply separately for each structure. The program will coordinate with the local code compliance authority to determine that each of the units is legally allowable on the property. Only those units that were constructed under a permit issued by the local code compliance authority will be considered for assistance. In addition, a survey of the property will be required, and the property may need to be subdivided. The cost of the survey and responsibility for subdivision of the property, if required, will be at the applicant's expense. Prior to replacing or repairing a structure, all code and property restrictions, if applicable, must be resolved.

### **1.7.2 Ineligible Structures:**

1. Garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for repair but may be eligible for demolition. Improvements must be permanently attached to the main housing structure.
2. Recreational Vehicles and camper trailers used as a residence are not eligible for the program.
3. Houseboats used as a residence are not eligible for the program.

4. Second homes are not eligible under the Single-Family Repair and Replacement Program as described in these guidelines.
5. Seasonal, short-term, and vacation rental properties are not eligible for assistance.
6. Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within runway clear zones of either a civil or military airport are not eligible.

### **1.7.3 Condominiums, Townhomes, and other Structures with Shared Walls**

Owners of condominiums (condos), townhomes, and other structures with common areas and shared walls or other shared structural components may apply for repairs under the Housing Repair and Replacement Program (HRRP). However, the application process may differ for these applicants as they belong to condo associations, co-op boards, and homeowner associations (all of these entities are hereafter collectively referred to as “Associations”) that are responsible for the common areas and components of the entire condo, co-op, or townhome. As such, any applicant for assistance whose structure type is a condo, townhome, or other structure with common areas, shared walls, or share structural components is required to include the Association’s rules, guidelines, bylaws, etc. (hereafter referred to as “Guidelines”). Applicants for these types of structure types are defined by the purview under which the damaged area falls.

The responsibility of the owner, according to Association Guidelines, the owner may apply individually. All repairs in this case must benefit the owner’s unit. Incidental benefit to common areas or other units is allowable. For example, a roof patch over the applicant-owner’s unit provides benefit to the individual unit, and also mitigates damages to neighboring non-applicant units, but does not provide a direct benefit to the other units. Conversely, a whole roof replacement would benefit all owners and not solely the applicant-owner. Association consent will be required for repairs made where the applicant is the owner.

If required repairs are the responsibility of the Association, according to Association Guidelines, the applicant must be the Association. The application will be processed similarly to multifamily housing applications to account for the income mix of the owners. Accounting for the income mix of owners is necessary to assure that the overall benefit of the project meets LMI income requirements. Homeowner consent will be required for all units for repairs made where the applicant is the Association and homeowner income information must be provided. Note that although common structural features such as roofs, walls, siding are potentially eligible for repair, common areas such as meeting rooms, recreational areas, etc. are not eligible for assistance under the program.

#### **1.7.3.1 Structures**

The units within a condominium, townhome, or co-op structure are individually owned and must be processed under the HRRP Single-Family Guidelines. However, any individually owned unit that is used as rental property will be subject to the HRRP Rental Guidelines.

The most notable difference between these two program areas is the required affordability period for rental properties. Therefore, if a unit is a rental unit it will be subject to the rental affordability periods if it receives assistance under HRRP.

### **1.7.3.2 Eligible Benefit**

HRRP will only provide repair assistance to eligible Associations, as applicable. Should the condo, co-op, or other structure with shared common areas and walls require reconstruction, it will be ineligible for HRRP assistance.

Eligible rehabilitation assistance will include repair to damages to common areas and individual units, where applicable. Non-residential structures, landscaping, and bulkheads are NOT eligible for assistance under HRRP. Additionally, luxury grade items including but not limited to custom cabinetry, fireplaces, and decks that are not a primary means of access are not eligible under HRRP.

The damage assessment will identify unit-specific repairs as well as repairs necessary for common areas. Unit-specific repairs include items not located within the boundaries of a specific living unit, but which are designated for the sole use of a specific living unit, according to Association Guidelines. This includes, but is not limited to, damages to individual, unit-specific air conditioners, hot water heaters, furnaces, and boilers. These unit-specific damages can be included in the owner-applicant's grant award. Damage assessments showing repair items outside of the sole-unit designation are only eligible if the applicant is the Association.

### **1.7.3.3 Applicant**

The homeowner may be the applicant. However, when this is the case, only repairs made to the owner's unit or repairs made that benefit only the owner's unit are eligible under the program. Although not the applicant, the Association must consent to repairs made to the owner's unit.

Owner-applicants must complete the program's required application as though theirs was a Single-Family home.

The Association may instead be the applicant when items in need of repair include shared-use items, such as roofs or exterior walls. These entities are responsible for repairs to damaged residential structures in the condo, townhome, or co-op community after a disaster and, in most cases, hold the primary property and flood insurance on the damaged residential structures. HRRP grant awards will be awarded directly to the Association provided all eligibility requirements are met.

Associations must complete the program's required application and provide all supporting documentation requested to verify eligibility. Associations must provide line item insurance loss documents or closely equivalent scope documents for all storm damages to the property, as well as supporting documents to confirm the dates on which repairs were completed. Associations may also be required to coordinate submission of unit owner income documentation for income qualification. The Association must also provide access to the damaged property, including common elements and units, for required inspections.

### **1.7.3.4 Participation**

If the homeowner has applied for the program, the Association must agree to consent to repair of the homeowner's unit. Failure of the Association to agree to provide requested consent will result in ineligibility of the unit's participation in the program.

If the Association has applied for the program, all unit owners must agree to participate in the program. Unit owners must provide all required documentation for his or her own unit where this information is not available to the Association.

The LMI status of the project is dependent upon the income mix of all owners. Failure of any unit owner to agree to participate or to provide requested documentation will result in the income for that unit being assessed as non-LMI. Failure of multiple owners to provide income verification documentation may result in the project's failure to qualify as an LMI project and therefore, the entire structure may be deemed ineligible for assistance. Further, any individual owner's refusal to allow the Association to obtain repairs affecting his or her unit may result in disqualification of the whole project.

#### **1.7.3.5 Low- to Moderate-Income Requirements**

If the homeowner has applied for the program, the homeowner's household must meet income eligibility requirements.

If the Association has applied for the program, at least 51% of the total units must be occupied by low- and moderate-income families. If the Association does not meet this income requirement, the entire structure will be ineligible.

#### **1.7.3.6 Verification of Benefits**

Owner Applicants: Homeowner applicants' verification of benefits for these structure types follow the single-family verification of benefits policy and processes.

Association Applicants: While the Association may apply on behalf of the Association's membership (i.e., the owners of the units), Rebuild Florida must verify all public and private benefits received directly by the Association and by the owner of each damaged unit. If the Association is the applicant, the program requires consent and release from the beneficiary (i.e., both the Association and the unit owner) in order to obtain verification of benefits. The consent and release provided by the Association does not extend to the unit owners and vice versa.

The program may deem certain units as ineligible and exclude them from the Association's award. Examples of reasons why any unit may be excluded by the program include National Flood Insurance Program (NFIP) non-compliance, or owner exceeds program income limits.

NFIP non-compliance occurs when an owner was required to obtain and maintain flood insurance as a condition of previous federal disaster assistance and that homeowner failed to do so. Federal law prohibits HRRP from providing any additional disaster assistance in this situation. Therefore, any unit owner who is NFIP non-compliant would be excluded from the Association's award.

With regard to income, the applicable Federal Register Notices prohibit HRRP from providing any assistance to individuals who make more than 120% of the Area Median Income (AMI).

Therefore, any unit owner with an income greater than 120% AMI would be excluded from an Association's award and would not be assisted.

#### **1.7.3.7 Unit Qualification**

In order to receive direct benefit of repairs, the damaged unit or each of the damaged units, according to whether the applicant is the homeowner or Association, respectively, must meet the basic eligibility requirements of the HRRP, including:

- Evidence that the unit is not a second home;
- Proof of ownership and residency as of the time of Hurricane Michael;
- Documentation of all public and private benefits received for the unit;
- Current status on property taxes and condo or homeowner association fees; and
- Providing access to conduct required inspections of the unit.

Where the Association is the applicant, failure of a unit to meet these qualifications does not preclude repair to the entire Association, however, the disqualified unit may receive no direct benefit.

#### **1.7.3.8 Grant Award**

Grant awards are calculated using the HRRP's damage estimate minus any public or private assistance provided for repair or replacement of the damaged structure, which is referred to as a Duplication of Benefits (DOB). The result of this calculation is referred to as Unmet Need. HRRP separately calculates Unmet Need for Association common elements and each individual damaged living unit. Both calculations are subject to the maximum award caps specified in the 2018 State of Florida Action Plan for Disaster Recovery.

## **1.8 Type of Assistance Offered**

Repair may be offered to homeowners based on the extent of damage to the home. Replacement of MHUs will be limited to situations where local zoning/building permits, or federal requirements, such as environmental regulations, will allow the replacement of the original, hurricane-damaged structure with a like structure.

Understanding that it may be necessary for homeowners to remove themselves and their belongings from their homes during the period of repair, DEO will provide temporary housing assistance on a case-by-case basis when sufficient need can be demonstrated by the homeowner. Consideration for temporary relocation assistance will include whether the homeowner is in a program-defined priority population and if program resources are available. However, as this is a voluntary program, it will be standard practice that the cost for temporary relocation of persons and belongings will be borne by the homeowner unless hardship is proven. See Optional Relocation Temporary Assistance Policy in Section 1.10.

This program does not pay for like-for-like replacement. The program will offer economy/standard grade materials, to make a home decent, safe, and sanitary. All structures will be assessed for compliance with program standards.

Standard appliances that are not functioning at the time of inspection such as refrigerators, stoves and/or ovens may be replaced. Luxury items, including but not limited to, granite (or other high-end) countertops, high-end appliances, stone flooring, garage door openers, security systems, swimming pools, fences and television satellite dishes are not eligible under the HRRP. Washing machines and dryers are not eligible for replacement. Examples of allowable eligible repair expenses include, but are not limited to:

## *Single-Family Owner-Occupied Housing Guidelines for Hurricane Michael*

- Structure repairs (e.g., roof, foundation, electrical, plumbing, and windows).
- Limited debris removal necessary for access to the home or repair area.
- Mold remediation.
- Labor, material, and equipment rental to permanently or temporarily repair the damaged residence (carpeting, cabinetry, appliances, flooring, fixtures, doors, walls, and ceilings).
- Demolition costs.
- Installation of wells, septic tanks, electricity, HVAC, and plumbing.
- Grading or leveling of property.
- Rental of Disposal and Removal Equipment (backhoes and dumpsters).
- Other costs or expenses associated with repairing, stabilizing, or reconstructing the property.
- Tree/shrub removal if tree/shrub blocked access to the home or presented a safety hazard.
- The following more specific examples are allowable activities:
  - Tarps
  - Building Supplies
  - Siding
  - Sewer/Septic
  - Paint
  - Weather stripping
  - Water heater

Where replacement of a MHU home is indicated, standard floor plan options will be offered. If a replacement home is provided, the original MHU home must be demolished and removed from the site prior to the replacement of that structure. Size of the replacement unit will be determined using information related to the damaged structure's size as well as household composition.

Additional improvement parameters include:

- Cost-effective energy measures and improvements that meet local zoning and code, Decent Safe and Sanitary (DSS), or required Housing Quality Standards (HQS), especially those improvements which add enhanced resilience, such as elevation of major electrical components, roof strapping and other items are eligible.
- Lead-based paint testing, mitigation, or stabilization, as needed. If a home is going to be replaced or reconstructed, lead-based paint testing will not apply. The replacement/reconstruction of the property will automatically result in the removal of any potential previous hazard.
- Asbestos testing, mitigation, or encapsulation, as needed.
- Mold testing and remediation, as needed.
- Section 106 of the National Historic Preservation Act of 1966 (Public Law 89-665), as amended in 2000, requires Architectural History compliance imposed by the Compliance and Review Section of the Bureau of Historic Preservation, as needed.
- Accessibility features for documented special needs. Repaired homes inhabited by special needs or elderly (age 62 or older) persons may 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 may be installed, if appropriate. Hearing and sight-

impaired adaptations should also be considered. All special needs requirements must be documented prior to approval.

- Standard appliances limited to refrigerator, stove and/or oven if they are not in working order at time of inspection. Though replacement appliances may be of standard, not luxury quality, they will be EnergyStar® rated, if available.
- Ventilation and energy efficiency items such as ceiling fans, window screens, and screen doors if missing or not functional at the time of inspection.
- Elevation height requirements are governed by 85 FR 4681, January 27, 2020, which requires elevation of the bottom of the first finished floor to be at least two feet above the base flood elevation.
- 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.
- All homes must be equipped with smoke and carbon monoxide detectors installed in conformity with code requirements.
- Additional related costs such as green building and mitigation requirements, insurance, accessibility modifications, repair or replacement of water, sewer, and utility connection needs may be included.

## **1.9 Optional Relocation Assistance**

The program will provide temporary on-site storage for each homeowner who must remove personal belongings from his or her home during the construction period. This cost is included, where applicable, in each scope of work. If temporary storage is necessary, the assigned construction contractor will arrange for the onsite storage container to be delivered and removed.

The policy of the HRRP is to provide temporary relocation assistance to homeowners enrolled in the HRRP who may have to vacate their home due to construction activities when vacating the property by his or her own means is impossible or creates an undue hardship. Temporary relocation assistance will be considered on a case-by-case basis. The factors that HRRP will consider in determining availability of relocation assistance will include homeowner or household age, disability status, income level (low, very low, and moderate-income brackets), and other resources available to the homeowner.

Demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship, nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case.

If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with program policies, then they may present their evidence of a demonstrable hardship to their program representative and request temporary housing assistance. The program will evaluate temporary housing requests on a case by-case basis after a review of all the circumstances.

## **1.10 Construction Standards**

HRRP will implement construction methods that emphasize high quality, durability, energy efficiency, sustainability, and mold resistance, as required in 85 FR 4681, January 27, 2020. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future disasters. HRRP will implement and monitor construction results to ensure the safety of residents and the quality of homes assisted through the program. All housing units repaired or replaced must comply with program standards. These include the following minimum standards:

1. Construction standards will be based on the Florida Building Code (FBC) and must meet or exceed applicable requirements.
2. Construction will comply with the Florida Green Building Standard for all new construction of residential buildings and for all replacement of substantially damaged residential buildings (i.e., where repair costs exceed 50% of replacement cost as determined by the local jurisdiction).
3. For repair projects, the state will follow the HUD Green Building Retrofit Checklist to the extent feasible and applicable to the repair work undertaken. This will include the use of mold-resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the repair work, repair is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances, or other equivalent, when feasible. The HUD Green Building Retrofit Checklist is available at: <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>.
4. Housing units assisted with CDBG-DR funds must meet all applicable local and state codes, repair standards, ordinances, and zoning ordinances at the time of project completion. All deficiencies identified in the final inspection must be corrected before final payment is released.

## **1.11 Accessibility Standards**

Physically disabled homeowners or homeowners with a disabled household member may be entitled to additional construction considerations such as roll-in showers, lowered countertops, pedestal sinks, bathroom grab bars, widened doorways, accessible toilets, or other accessibility features that will assist with the individual's functional needs. The program will assess eligibility for these features on a case-by-case basis during the application intake period. Homeowners will be asked whether or not they have any accessibility needs during their meetings with the case managers and those items may be documented and validated, and if feasible, will be included in the ECR or reconstruction plans/specifications.

## **1.12 Allocation and Housing Assistance Caps**

A total of \$246 million has been set aside for the HRRP. This allocation may be increased or decreased based on the demand for the program and with an amendment to the Action Plan, as well as approval by HUD. Assistance for each property is capped at \$350,000. All construction costs (hard and soft costs), mitigation measures, elevation costs, site improvements, and

construction standard conditions (dumpsters, on-site toilets, permitting, variances) are included in the cap. Exceptions may be considered on a case-by-case basis.

Projects may fail to move to completion for a variety of reasons, including but not limited to, property owner withdrawal from the program and owner refusal of benefit. Should a property undergo an environmental review and hazard testing, but then fail to make it through construction, these costs (as well as any other project delivery costs expended) will remain project delivery costs.

## **1.13 Feasibility of Repair Analysis**

As a recipient of Federal funds, DEO is charged with ensuring that the costs of its activities are reasonable and necessary. Therefore, each property assessed under the HRRP will be analyzed for feasibility of repair consistent with an overall program goal to improve the housing stock of the impacted areas.

Following initial applicant eligibility activities, the damage assessment team will conduct a site visit to the home to:

1. Determine if the property has any unrepaired storm damage remaining;
2. Complete the Tier II environmental review checklist; and
3. Prepare the preliminary ECR.

If, after the site visit, the home does not have any unrepaired storm damage, the application is ineligible to participate in the program.

The environmental team will use the checklist and photos provided by the inspector to complete the Tier II environmental review record (ERR). Any environmental mitigation factors, inclusive of any lead-based paint (LBP) and asbestos-containing materials (ACM) abatement requirements, will be incorporated into the final ECR which will be the document utilized for Feasibility Analysis.

### **1.13.1 Stick Built, On-Site Built Homes**

Properties with repair and/or elevation cost estimates that meet or exceed 75 percent of a comparable reconstruction or replacement house, as determined by standard operating procedures and policies, will provide homeowners the option to select a reconstructed or replacement house. Properties with repair and/or elevation cost estimates that meet or exceed a comparable reconstruction or replacement house will be limited to reconstruction or replacement as a more cost reasonable option. Situations where replacement, reconstruction and/or elevation will be required include, but are not limited to:

- Homes that have already been demolished may be replaced or reconstructed;
- Homes that are condemned (red tagged) by the local jurisdiction may be replaced or reconstructed;
- Homes that are structurally unsafe or that have other conditions that make interior inspection by program staff unsafe or impossible may be replaced or reconstructed;
- If a local jurisdiction has issued a substantial damage determination for a home located inside the 100-year floodplain, the home will be reconstructed and elevated;

- If the local jurisdiction has issued a substantial improvement determination for a home located inside the 100-year floodplain, the home must be elevated; and
- Slab-on-grade homes that require elevation will be reconstructed and elevated. Repair will not be an option.

### **1.13.2 Manufactured Housing Units (MHUs)**

If the MHU has unrepaired storm damage and is older than 5 years from the date of manufacture, then the home will be eligible for replacement.

MHUs with damages less than \$15,000 will be repaired.

MHUs with an ECR greater than \$15,000 will be replaced with a program allowable unit.

## **1.14 Homeowner Responsiveness**

During the application process, a homeowner is required to respond in a timely fashion with program requests for information/materials to complete the eligibility process. At no time should a request for additional information go unanswered beyond 30 working days. If the homeowner needs an extension, a clarification, or assistance, they may request assistance within the 30-day window. If the homeowner fails to provide the requested information/materials or fails to ask for an extension or assistance, their application will be considered on hold until the information is provided.

If a homeowner becomes unresponsive, the application will be closed. “Unresponsive” is defined as the failure to answer or return three consecutive phone calls, and failure to respond to written requests within program timeframes. Closure of an application for unresponsiveness may be appealed once. If a successful appeal results in the reactivation of an application, subsequent closure for unresponsiveness is not appealable.

An exception to the above is for clearance of title defects, death or illness of a homeowner, and may be determined on a case-by-case basis. Homeowners with title defects are provided up to one year to clear the defect. Monthly status reports of the progress being made to clear the title may be requested of the homeowner.

## **1.15 Homeowner Responsibilities**

Homeowners who receive assistance from the HRRP have the following responsibilities:

1. HRRP will not be responsible for lost or damaged belongings of the homeowner that have occurred during construction. The homeowner must secure or relocate all personal property until construction is complete. The homeowner is responsible for the movement, storage, and security of all property and personal belongings. The program will provide one temporary on-site storage unit for homeowner use.
2. Upon the issuance of the Notice to Proceed (NTP) by the program to the General Contractor (GC), the homeowner will have 30 calendar days to move personal property out of the damaged property and store any valuable personal property that could be damaged during the course of construction.

3. If the homeowner must vacate the property in order for repairs to be completed, the homeowner will have 30 days from issuance of the NTP execution to vacate the property and move all personal belongings into storage. In most cases, the program will not pay relocation assistance, as this is a voluntary program. However, in limited circumstances, the program may consider the provision of temporary relocation assistance on a case-by-case basis. Should construction activities go beyond the contractual performance period, the construction contractor may be required to pay additional relocation assistance necessary for a homeowner receiving such assistance to remain out of his or her home. Failure by the homeowner to vacate the property within the 30-day period will result in the closure of the application and reassignment of the homeowner benefit to the next beneficiary. Exceptions may be made on a case-by-case basis.
4. The homeowner must arrange access to the property for building contractors providing construction services. If reasonable and timely access is denied to a building contractor who is making a good faith effort to perform required repairs, the award may be terminated.
5. During construction, the homeowner must not interfere in repair areas, and must make a reasonable effort to stay away from the construction zone.
6. The homeowner will sign a promissory note agreeing to own and occupy the home for a 3-year period.
7. The homeowner must maintain flood insurance (if applicable)., [The Flood Disaster Protection Act of 1973](#) requires people who live in a floodplain to carry flood insurance in perpetuity on that property. A grant agreement, deed restriction, covenant, or similar enforcement vehicle will be required to be placed on the property requiring that flood insurance be maintained on that property in perpetuity.
  - a. Failure to maintain flood insurance, when required, will result in the homeowner and the property being ineligible for future federal disaster relief.
  - b. HRRP will pay for one year of flood insurance, if applicable, if the homeowner currently does not have flood insurance and did not receive prior federal assistance. The homeowner is responsible for obtaining, paying, and maintaining all flood insurance premiums after the first year.
  - c. If located in a 100-year floodplain, the homeowner will be required to maintain flood insurance in perpetuity and notify future owners of flood insurance requirements.
8. Keep current on all property taxes.
9. Meet all requirements agreed upon in the executed legal documents required by the program.
10. All owner-occupants should be listed on the program application. Owners who are not occupants may be listed on the application but are not required to be. Rehabilitation files will only require one owner-occupant to sign program forms and execute the grant agreement. Reconstruction and replacement files will require one owner-occupant to sign program forms and the Grant Agreement; however, any non-applicant with an ownership interest in the damaged property will be required to provide his/her/their/its consent to demolish the damaged structure prior to the execution of the grant agreement. HRRP is not liable for any dispute arising between owner-occupants and non-occupant owners.
11. All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The homeowners will remove derelict personal property. The homeowner has 30 days from the date of Homeowner Grant Agreement execution to remove all such debris and derelict property from the construction site. Failure to remove such property may result in a reduction in the total benefit amount to account for program removal and if such a reduction results in a

new feasibility determination that the project is no longer feasible, the homeowner activity will be determined ineligible and the application will be closed.

## **1.16 Complaints/Appeals/Conflict of Interest**

A complaint and appeals procedure will be afforded to homeowners. Complaints may be lodged regarding any and all concerns that homeowners may have with the procedures followed and services provided by HRRP. Appeals may be lodged only upon the deliverance of an adverse program decision regarding eligibility or closure of an application, and only within the parameters set by the Appeals procedure. Homeowners may not appeal program policy.

An appeals process initiated by the homeowner will include an informal and a formal, written grievance procedure which may include but not be limited to informal hearings, third-party review, or administrative review. HRRP will render a decision regarding exception reviews and informal, appeals. Appeals, grievances, and exceptions will be further explained in the Complaints, Appeals and Exceptions Procedures. See Appendix B Reconsideration/Appeal/Complaint Process.

### **1.16.1 Fair Housing Complaints**

DEO certifies that the HRRP will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing practices.

Persons alleging a violation of fair housing laws will be referred to DEO's local contact and process to file a complaint. DEO will retain a log and record of all fair housing inquiries, allegations, complaints, and referrals. In addition, DEO will report suspected non-compliance to HUD. The contact for Fair Housing Complaints is:

[FairHousing@deo.myflorida.com](mailto:FairHousing@deo.myflorida.com)  
(850) 717-8426

### **1.16.2 Conflict of Interest**

State officials and employees, DEO employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, are prohibited from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure.

For purposes of this section, "family" is defined 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).

An exception to the conflict of interest provision may be granted should it be determined that DEO has adequately and publicly addressed all of the concerns generated by the potential conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. No party will enter into a conflict of interest until a request for an exception has been granted.

## **1.17 Anti-Fraud and Compliance Policies**

The Office of the Inspector General's Act of 1978 requires policies to prevent waste, fraud, and abuse. DEO has established procedures for verifying the accuracy of information provided by homeowners, vendors, and sub-recipients. The Rebuild Florida HRRP will investigate all allegations regarding eligibility and the disbursement of funds or any other allegations of fraud or noncompliance.

All suspected cases of fraud will be taken seriously, and complaints will be reported to DEO's Office of the Inspector General at [OIG@deo.myflorida.com](mailto:OIG@deo.myflorida.com). If DEO determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)).

## **1.18 Files, Records, and Reports**

In accordance with 24 CFR 570.490, DEO is required to maintain all program and project-related documentation such as financial records, supporting documentation, and statistical records. Records must be retained for a period of not less than three (3) years after grant close-out with HUD.

At a minimum, the following types of records are required to be maintained:

1. Records providing full description of each activity;
2. Records verifying that activity meets national objectives;
3. Records related to demonstrating eligibility of activities;
4. Records required to document activity related to real property;
5. Records documenting compliance with the fair housing and equal opportunity requirements;
6. Financial records and reports required by DEO;
7. Performance reports required by DEO; and
8. Records supporting any specific requirements of the grant.

## **1.19 State and Federal Audits**

Audit activities are a routine component of CDBG-DR activities and can be conducted by state and/or federal agencies for financial, operational, or programmatic purposes.

The State of Florida has an Auditor General (AG) that acts as independent external auditor. The AG conducts audits of accounts and records of state agencies to determine whether financial resources are properly accounted for; public officials comply with applicable laws, rules, regulations, and other legal requirements; proper and effective internal controls are in place over entity operations; and assets are properly safeguarded. The state has the right to audit, and all aspects of the HRRP are subject to review and audit.

Additionally, DEO's Office of Inspector General (OIG) has two separate functional areas—one area that conducts audits to add value and to improve an agency's operations and the other area to investigate waste, fraud, and abuse claims and hotline complaints, which can also occur in CDBG-DR programs.

On the federal level, HUD's OIG conducts preliminary research (a survey) and/or audits of disaster recovery programs, which is typically done once programs are underway and funds have been expended by a grantee. Through HUD OIG's audits and evaluative and investigative efforts, the OIG works to ascertain that disaster assistance funds have been expended as Congress intended.

## **1.20 Procurement Requirements**

DEO will abide by the Procurement process mandated by federal and state government codes as they are applicable to the program. The standards and guidelines for procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services have been established in the DEO Purchasing and Contracting Guidelines that have been developed in compliance with federal and state requirements. The procurement process includes the decision to purchase as well as the process to complete the purchase. The federal government has established a set of procurement rules in 2 CFR Part 200.317-326 that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. If a conflict between federal and local procurement regulations should occur, the more stringent regulation will be followed.

DEO has established compliant standards for construction. Construction contractors will be qualified through an invitation to bid process. To ensure full and open competition, through an invitation to bid process, DEO will follow 24 CFR 570.489(g) at a minimum and all state procurement laws. Contractors will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1700lu), and implementing regulations at 24 CFR part 153. Contractors selected under DEO will ensure, to the greatest extent feasible, that employment and other economic opportunities are directed to low and very low-income persons, particularly local residents and businesses that meet the qualifications of the project. Contractors will make every effort to recruit, target, and direct opportunities to Section 3 residents and businesses as well as notifying Section 3 residents about training opportunities. DEO will provide Contractors with helpful resources to maximize these efforts including, but not limited to, a Section 3 Business Registry, and examples of training and employment opportunities. Contractor procurement procedures will be monitored by DEO.

## **2. Eligibility Requirements**

The following are threshold requirements, which must be met for a homeowner to be eligible for assistance. Eligibility does not ensure assistance, since a prioritization strategy will be required (consistent with program requirements) and it is expected that there will be more eligible homeowners than can be served with available funds. Threshold requirements are those that will either allow a homeowner to continue to move forward in the program or result in disqualification. The threshold criteria for the Rebuild Florida HRRP are described in more detail here:

1. October 2018 storm damage from Hurricane Michael
2. Location of damaged property within HUD- or state-identified Most Impacted and Distressed (MID) areas
3. At least one person on the application with an ownership interest in-part or in-whole on the property must be able to demonstrate U.S. Citizenship or Lawful Permanent Residency
4. Proof of ownership at the time the disaster damage occurred and have maintained ownership
5. Damaged structure is the principal place of residence
6. Property has unrepaired Michael-related damages
7. Property taxes are current
8. Property is a Single-Family owner-occupied structure or an owner-occupied MHU
9. Property is not a second home or seasonal rental
10. Household is income-eligible

### **2.1 Hurricane Michael Damage**

The home must have been damaged by or has damage as a result of Hurricane Michael in October 2018 and must have unrepaired damage as of the date of application. Homeowners need not have registered for Federal Emergency Management Agency (FEMA) individual assistance to be eligible for the HRRP.

If a homeowner did not apply for FEMA assistance, HRRP will verify by inspection that the home was damaged using a damage verification process. Damage to the home not caused by Hurricane Michael may be addressed only as necessary to meet program construction standards

Proof of Damage options:

1. FEMA, SBA, or Insurance award letters constitute proof that the home was damaged by Michael.
2. In the event that the above documentation is not available, an inspection report (complete with photos of the damage and a written assessment of the damage) from a damage assessment conducted by the HRRP that certifies that the damage occurred as a result of the hurricane will be acceptable.
3. In the event that FEMA, SBA, or Insurance award letters are not available, and an inspection report is inconclusive as to the cause of the damage, the applicant may provide alternative evidence, such as neighborhood-level media reports, inundation maps, or documentation of damage by disaster response/relief organizations on a case-by-case basis.

4. If a homeowner was denied assistance by FEMA, assistance through the CDBG-DR program may still be available as long as damages can be tied back to Hurricane Michael. DEO prohibits the denial of assistance by FEMA to be used as a sole basis for the denial of CDBG-DR assistance.

## **2.2 Location**

According to the 85 FR 4681, January 27, 2020, Federal Register Notice (FRN) the damaged property must be located in one of the ten HUD-identified MID areas of:

- Bay County;
- Calhoun County;
- Gulf County;
- Jackson County;
- 32321 zip code in Liberty County;
- 32327 zip code in Wakulla County;
- 32328 zip code in Franklin County;
- 32346 zip code in Wakulla and Franklin counties;
- 32351 zip code in Gadsden County; or
- 32428 zip code in Washington County.

DEO plans to spend 80% of the program allocation in these HUD MID areas. Per the FRN, where HUD identified specific zip codes as MID areas, DEO intends to expand program operations and eligibility to the whole county. The remaining 20% can be spent in state-identified MID communities, which include Holmes, Leon, and Taylor counties.

- HUD Designated MID Areas: Bay, Calhoun, Gulf, Jackson, Washington, Gadsden, Liberty, Franklin, Wakulla
- State Designated MID Areas: Holmes, Leon, Taylor

MHUs, the damaged MHU must have been located in one of these areas at the time of the storm.

## **2.3 Proof of U.S. Citizenship or Lawful Permanent Resident**

The program will comply with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA") in determining eligibility for assistance. U.S. Citizens or Lawful Permanent Residents are eligible to receive benefits under this program. At least one person on the application with an ownership interest in-part or in-whole on the property, must be able to demonstrate U.S. Citizenship or Lawful Permanent Resident to ensure program eligibility.

The documentation needed to verify U.S. Citizenship or Lawful Permanent Resident may include, but is not limited to, the following:

- If the applicant, who also appears on ownership documentation, has a valid REAL ID compliant Driver's License or REAL ID compliant Identification Card, the program will consider this validation complete.

- In the event a REAL ID compliant Driver's License or Identification Card is not available, applicants that have confirmed assistance using FEMA IA or SBA data for property assistance will be considered verified using this method since both FEMA and SBA validate legal residency as part of their application process.
- Applicants without a REAL ID compliant Driver's License, REAL ID compliant Identification Card, FEMA IA, or SBA assistance, must submit one of the following:
  - Resident Alien Card;
  - U.S. Birth Certificate (verified against government-issued photo ID); or
  - U.S. Passport or Certificate of Naturalization.

## **2.4 Proof of Ownership, Occupancy, and Primary Residence**

The homeowner(s) must have owned and occupied the property as their primary residence as of October 10, 2018, the beginning date of the storm funded by this CDBG-DR allocation. The program verifies primary residency and occupancy through a homestead exemption in the property tax records obtained from the associated municipality from the time of the storm.

In the absence of a homestead exemption, the following hierarchy will be used to establish occupancy (all occupancy documentation must be from the time of the storm, in the homeowner's name, and reference the damaged address). Homeowners will provide an affidavit of principal residency plus one of the following:

1. Copy of water, electric, gas, credit card, or cable bill. The bill must confirm that service was provided at the time of the storm, be in the homeowner's name, and indicated usage at the time of the event.
2. Copy of FEMA letter showing payment received for home repairs or contents or insurance document showing content coverage in the homeowner's name.
3. Letter from electric, gas, cable, or other utility service provider. The letter must confirm that service was provided at the time of the storm and be in the homeowner's name.

Other qualified documents may be presented to the HRRP for consideration of proof of occupancy or primary residency, but the acceptance of other documents is not guaranteed.

## **2.5 Special Circumstances Related to Occupancy**

The following exceptions apply under special circumstances related to occupancy:

1. Active duty military personnel who own a storm-damaged home in an eligible county or ZIP code but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the storm are eligible to apply.
2. Homeowners incapacitated due to illness who own a storm-damaged home in an eligible county or ZIP code and are currently incapacitated or were incapacitated at the time of the storm are eligible to apply. If the homeowner is currently incapacitated, an authorized legal representative must apply for the benefit of the homeowner.
3. Homeowners with Michael-damaged property in an eligible county or ZIP code who were incarcerated at the time of the storm but are no longer incarcerated are eligible to apply.

for the program. If the homeowner is incarcerated at the time of application, the homeowner must give someone Power of Attorney on his or her behalf.

4. Homeowners who were in a nursing home at the time of the storm but are no longer in a nursing home are eligible to apply for the program. If the homeowner is in a nursing home at the time of application, the homeowner must give someone Power of Attorney on his or her behalf.

## **2.6 Ownership**

The homeowner(s) must have owned the property at the time the damage occurred on October 10, 2018, and must currently be the owner of the damaged property in order to be eligible for the program. Ownership will be verified through tax records, title searches, or homeowner provision of warranty deed. The program may consider other proof documentation on a case-by-case basis.

## **2.7 Special Circumstances Related to Type of Ownership**

The following exceptions may apply as special circumstances related to ownership:

### **2.7.1 Reverse Mortgages**

Homeowners with a reverse mortgage at the time of Hurricane Michael are eligible to apply.

### **2.7.2 Purchase Contracts**

Evidence of purchase contracts must prove that a homeowner was purchasing a home on a contract by:

- The homeowner presenting the notarized contract dated and executed prior to the storm for review by HRRP.
- The homeowner presenting the notarized and executed contract that was filed prior to the storm in the conveyance records of the county.

Proof that a contract has been completed and title conveyed to the purchaser is provided by:

- Evidence of recordation of the title in the name of the homeowner in the conveyance records of the county.
- Evidence that property was transferred by a warranty deed.

### **2.7.3 Act of Donation**

An Act of Donation is a form of property transfer without exchange or payment. An Act of Donation must have been made prior to the storm and be:

1. In writing,
2. Witnessed,

3. Notarized, and
4. Recorded in the public record.

## **2.7.4 Trust**

Property held in trust for the benefit of natural persons can be eligible for HRRP assistance as long as at least one of the occupants at the time of the storm was a current beneficiary of the Trust. The trustee's powers must include the ability to affect the damaged property. If the trustee's powers do not include the ability to affect the damaged property, the beneficiaries with an interest in the damaged property must sign the closing documents along with the Trustee.

The following is required to confirm eligibility:

1. The homeowner must provide a copy of the trust document.
2. The trust document or an abstract or extract of the trust must be recorded in the conveyance records of the county in which the damaged property is located. This recordation in the conveyance records of the county in which the damaged property is located may be recorded post-storm if necessary.

The applicable agreements must be executed by trustee(s) unless the trust distributes the property to a beneficiary, in which event the beneficiary receiving the property must execute the applicable agreement and occupy the residence after assistance. If the property was not serving as the primary residence for the current beneficiaries or trustee, the homeowner(s) is not eligible for assistance.

## **2.8 Title Assistance**

The Title Assistance Benefit (TAB) is a housing assistance benefit not directly resulting in the rehabilitation, replacement or reconstruction of a home. TAB can fund legal services to assist HRRP participants with resolving title issues related to Heirs Property. Reevaluation of assistance not to exceed the \$25,000.00 cap is available on a case-by-case basis by the DEO Policy Exceptions Review Panel following extenuating circumstances. This may be available for eligible HRRP homeowners who:

1. Have household incomes at or below 120%AMI, and
2. Would be eligible for HRRP services if not for the Heirs Property title issues.

### **2.8.1 Title Assistance Benefit (TAB) Eligibility**

The following are threshold requirements, which must be met for a homeowner to be eligible for assistance. Eligibility does not ensure assistance. In addition to the criteria listed above, the following eligibility criteria also apply:

1. The homeowner must be an active applicant in the HRRP. "Active" participants are defined as HRRP homeowners who are post-application, meaning the homeowner has provided all the information requested by the application but has an unresolved title interest to the property due to the property being shared Heirs Property.
2. The homeowner cannot receive concurrent legal assistance from other governmental or

charitable organization that would cause a Duplication of Benefits (DOB).

3. If the homeowner received any legal assistance from another source, such as a non-profit organization or legal aid, the funding must have been exhausted prior to provision of CDBG-DR TAB funds.
4. Funds must be used for title resolution services related to Heirs Property. The TAB is not a DOB to housing rehabilitation, repair or reconstruction funds, as it constitutes a separate and distinct eligible activity.

## **2.9 Death of Eligible Owner Occupant**

If the deceased owner of the damaged address passed away after October 10, 2018, the deceased owner must meet the eligibility requirements up to the time of their death (i.e., homeownership at time of storm, primary residence, taxes). All additional income requirements will be attributed to the heir who is currently occupying the home (the applicant). Income determination will be based on the heir at the time the program benefits are being conferred.

If the legal owner of the damaged address passed away before the storm, the heir occupying the property must meet all eligibility requirements except for ownership at the time of the storm and will be processed for assistance in the same manner as all other homeowners. However, the heir will have to demonstrate a legal claim to ownership of the property as an heir.

If the homeowner passes away during construction, the heir will be responsible for the program agreements.

Only individuals may apply for assistance; however, legal entities such as LLCs, corporations, or businesses may be considered on a case-by-case basis. If an eligible owner-occupant dies and leaves the damaged property to a business entity, the application is ineligible for assistance unless an exception is granted.

## **2.10 Property Taxes**

All homeowners must be current on their property taxes except for MHUs located on non-owned land (leased lots). HRRP will have the homeowner provide documentation from the local Property Appraiser's Office or may obtain such information electronically from a local tax collector's office. Owners of MHUs on non-owned land will be required to provide a copy of a lease agreement or letter from mobile home park/land owner stating they lease the land in order to prove they have the right to place the MHU on the property.

## **2.11 Ineligible Applications**

The following types of ownership are ineligible for assistance under this program:

1. Homeowners who lost ownership of their homes due to foreclosure are ineligible for assistance.
2. Persons found to be non-compliant with FEMA regulations or who failed to comply with the requirements of the National Flood Insurance Reform Act are not eligible for

assistance. Noncompliance in this context means a person or persons who failed to obtain and maintain flood insurance after receiving federal funding for a previous disaster.

3. Homeowners who do not meet any of the other eligibility criteria.

## **2.12 Certification Requirements to Receive Assistance**

All homeowner(s) must agree to the following to receive assistance:

1. Allow program inspectors to access the interior and exterior of the home to evaluate damages. Failure to allow access to any portion of the home may result in the ineligibility of the property.
2. Sign a release so that information provided by the homeowner(s) can be shared with state and federal agencies and certain third parties in order to verify information given to the program. The homeowner and everyone 18 and older in the household are required to sign the release (unless one of the eligible owner-occupants has provided Power of Attorney to the other to represent them, then the eligible owner-occupant does not need to sign the release).
3. Agree to verification of their ownership status, the amount of disaster-related damage to the home, and assistance received.
4. Swear to the accuracy and completeness of all information provided to the program under penalty of law.
5. Agree to stop all on-going construction activities at the time of application.
6. Acknowledge that any overpayment of benefit will be subject to recapture.
7. Maintain ownership of the property until construction is completed.
8. All homeowners must agree to sign required programmatic documents to receive assistance. These documents are fully explained in later sections and in the legal documents executed at closing. This includes revised documents necessary to acknowledge changes post-closing. Failure to comply with this requirement will result in disqualification from the program and closure of the homeowner file. Should disqualification occur, and program funds already be invested into the homeowner's property, the homeowner will be responsible for the repayment of all program funds through a recapture process.

## **2.13 Income Eligibility Requirement**

All homeowners must meet income eligibility criteria in order to be eligible for assistance. In order to meet this eligibility requirement, homeowners must be LMI with a total household annual gross income that does not exceed the 80% AMI, adjusted for family size, as published annually by HUD.

Homeowners whose household income is between 80.01% and 120% of AMI may be served when the program has projected that it will be able to sufficiently meet or exceed HUD's requirement to expend at least 70% of the disaster recovery funds on LMI populations. The program will not assist anyone whose household income exceeds 120% AMI.

The Rebuild Florida HRRP income calculation includes the annual adjusted gross income (AGI) of all adult household members, including earnings and in-kind sources like Social Security and

pensions. The program will use HUD's published income limits for each county or metropolitan statistical area to determine eligibility. Household income will be based on the household's annual income data per the most recent IRS 1040 adjusted gross income definition, as verified by receiving a copy of the household members' most recent tax form(s).

The program will use the processes for calculating income as defined by HUD, and as described in the following paragraphs. The program certifies income at the point at which sufficient documentation is provided and remains valid for one year.

Recertification of income will not be required when a homeowner has executed his/her grant agreement within one year of the income certification date. Income must be recalculated by the program and recertified if the grant agreement has not been executed within one year of the date of the original income certification.

The program may collect and analyze appropriate income documentation for household members through third-party verification or source documentation when necessary. This process may include obtaining copies of the most recent tax form(s).

Homeowners will need to certify whether or not their income has changed since their most recent tax return information. If there has been a change in the homeowner's household income, the program may allow the homeowner to provide additional information such as pay stubs or other proof of income to verify the change. Documentation sufficient in this circumstance includes the last three months of paycheck stubs or signed statement from the employer stating the wage and frequency of payment, most recent Social Security and pension income statements, and any other income source documentation.

## **3. Duplication of Benefits (DOB)**

### **3.1 Overview**

Eligible homeowners may have previously received assistance from other sources for the repair of their storm-damaged property. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. §5121 et seq., prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss as to which he/she has received financial assistance under any other program, from private insurance, charitable assistance, or any other source. When possible, HRRP will electronically verify disaster recovery assistance received through federally and locally maintained datasets, such as FEMA IA and SBA disaster home loan datasets.

The following are sources of funding assistance provided for structural damage and loss that are considered DOB and under federal law must be deducted from the assistance provided by Rebuild Florida HRRP:

1. FEMA Individual Assistance for Structure (IA),
2. FEMA National Flood Insurance Program (NFIP),
3. Private Insurance,
4. Increased Cost of Compliance (ICC),
5. Small Business Administration (SBA)
6. Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may duplicate assistance.

Funds received from any source including flood insurance, FEMA and hazard insurance that were used to cover repair to the homeowner's home will reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance provided from the source. Documentation must be provided demonstrating the cost and type of repair conducted.

Any additional funds paid to homeowner awardees for the same purpose as the HRRP housing assistance award after the state has completed the repair, rehabilitation, or replacement of the homeowner's housing units must be returned to DEO.

**Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C 287, 1001 and 31 U.S.C. 3729.**

### **3.2 FEMA Individual Assistance (FEMA IA)**

FEMA IA assistance may have been provided to applicants for home repairs. In the cases where applicants have received assistance for home repairs, such amount will be considered a DOB by the program. FEMA IA will be determined and verified by the program through FEMA provided datasets or through applicant provided information originating at FEMA such as a FEMA Award letter. If evidence is provided that the FEMA award included assistance for items not related to structure repair, then the amounts not related to structural repair will not be counted as a DOB.

FEMA IA will be determined and verified by HRRP through the FEMA database. If HRRP is unable to verify the FEMA IA amount through the FEMA database, HRRP will use the payment amount provided by the homeowner at the time of application.

If a homeowner is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, HRRP will use the documentation provided by the homeowner to adjust the FEMA IA payout amount. The documentation provided by the homeowner must come from FEMA and it will be included in the homeowner file.

### **3.3 FEMA National Flood Insurance Program (NFIP) Insurance**

Any payments for loss to the dwellings during Hurricane Michael under NFIP insurance policies may be deducted from the amount the homeowner is eligible to receive. Payments for contents or other expenses are not deducted from the homeowner's award, as these are not duplicative of payments for structural loss. HRRP will verify payments by reviewing FEMA claim information or by providing a request for verification to FEMA. If a homeowner is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not related to the structural loss, HRRP will use the documentation provided by the homeowner to adjust the insurance payout within the DOB calculation. The documentation provided by the homeowner must come from the insurance company which issued the payments and it will be included in the homeowner file.

### **3.4 Increased Cost of Compliance (ICC)**

Structures damaged by a flood may be required to meet certain building requirements to reduce the risk of future flood damage before the structure can be repaired or rebuilt. To help cover these costs, the NFIP includes Increased Cost of Compliance (ICC) coverage for all new and renewed Standard Flood Insurance Policies. ICC is a duplication of benefits if a structure owner requests reimbursement or additional assistance for elevation, demolition, floodproofing, or relocation—one of the four options available under ICC—and has already received an ICC benefit under the NFIP. The program will determine DOB regarding ICC funds for elevation and/or demolition activities. If HRRP is unable to determine the amount/or purpose of the ICC proceeds using documentation provided by the homeowner.

### **3.5 Private Insurance**

All property, flood, or casualty insurance settlement amounts for loss to dwellings are deducted from the applicant's funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant's funding assistance award. All private insurance settlement amounts for loss to dwellings are considered a DOB and may reduce the amount of disaster assistance. Insurance proceeds are often broken into different categories that may cover the contents or the structure of the home. Only those proceeds for repair, replacement, or mitigation of the structure will be included in the DOB calculation. Insurance proceeds paid for contents will be excluded from the DOB calculation.

Insurance proceeds are determined and verified by HRRP by contacting the insurance company and verifying proceeds. If HRRP is unable to verify the private insurance proceeds through the insurance company, HRRP will use the claims payout provided by the homeowner. If a homeowner is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, HRRP will use the documentation provided by the homeowner to adjust the private insurance payout in the DOB calculation. In addition, if an applicant claims no insurance on their application, but has a current mortgage the HRRP will request private insurance documentation from the applicant.

Mold remediation is not included in the home evaluation for structural loss during insurance claims adjusting procedures. Therefore, insurance payments to cover mold remediation are not deducted from a homeowner's funding assistance award. The documentation provided by the homeowner must come from the insurance company that issued the payments or an order from an administrative proceeding or court of competent jurisdiction.

## **3.6 The Small Business Administration (SBA)**

Federal regulations deem approved SBA loans for repair and reconstruction to be a DOB for federally funded repair programs. If an applicant has executed a loan with SBA to cover the cost of repairs or reconstruction, the total amount of the approved loan is considered a DOB unless the applicant has declined the loan or requested a reduction after SBA initial approval of the loan. As described in 84 FR 28836, "The amount of a subsidized loan that is declined or canceled is not a DOB." Therefore, the HRRP is adopting the following policies with respect to declined and canceled SBA loans:

### **3.6.1 Declined SBA Loans**

Declined loans are loan amounts offered by a lender but turned down by the applicant, meaning the applicant never signed loan documents to receive loan disbursements. The HRRP will attempt to verify declined loan amounts using third-party data from SBA. Declined loaned must be documented through the SBA data feed in conjunction with written communication from the lender (SBA).

### **3.6.2 Canceled SBA Loans**

The applicant (borrower) has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to the default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement. The canceled loan amount is the amount that is no longer available to the applicant. If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a DOB. Canceled subsidized loan amounts are not considered a DOB but are subject to further requirements. Applicants may not take actions to reinstate the canceled loan or draw any additional undisbursed loan amounts.

- Canceled loans that were never drawn must be documented through the SBA data feed demonstrating the \$0 draw in conjunction with written communication from the lender (SBA).
- Canceled loans that had a portion of the loan drawn, but the remainder canceled must be verified in the SBA data feed in conjunction with written communication from the lender (SBA). The accepted current loan amount will be considered a duplication of benefits.

### **3.6.3 Accepted but Undisbursed Loan Amounts**

This situation is similar to canceled loans, but no formal action was taken by the applicant (borrower) or lending agency (SBA) to formally cancel the loan. Accepted but undisbursed subsidized loan amounts are not considered a DOB but are subject to further requirements. The undisbursed loan amount will not be considered a DOB; however, applicants may not request subsequent draws from the undisbursed portion of the loan.

- Accepted but undisbursed loans that were never drawn must be documented through the SBA data feed demonstrating the \$0 draw in conjunction with written communication from the lender (SBA).
- Accepted but undisbursed loans that had a portion of the loan drawn, but the remainder never disbursed must be verified in the SBA data feed in conjunction with written communication from the lender (SBA). The disbursed loan amount will be considered a DOB.

A written agreement will be required between the applicant and the HRRP for canceled and accepted but undisbursed SBA loans. An applicant must agree, in writing, that he or she will not take any actions to reinstate a canceled SBA loan or pursue future draws from any undisbursed funds from an SBA loan.

If necessary, the HRRP will revise DOB calculations retroactively to be consistent with this policy in order to address cases where SBA loans were counted as DOB prior to the issuance of 84 FR 28836 and 84 FR 28848. Further, all future calculations of DOB will exclude SBA loans that meet the parameters of this policy.

## **3.7 Exceptions to Duplication of Benefits**

Not all assistance received by an applicant is considered a DOB for housing rehabilitation or reconstruction. Therefore, there are types of assistance received by an applicant that will not constitute a duplication of benefits for housing repair or reconstruction. The program will allow for reductions of duplication of benefit totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with 84 FR 28836, HRRP “must exclude amounts that are: one (1) Provided for a different purpose; or two (2) provided for the same purpose (eligible activity), but for a different, allowable use (cost)<sup>5</sup>.” Further, section IV.B of 84 FR 28836 describes other instances where funds are not be included in the DOB calculation, such as, but not limited to, personal assets, lines of credit, personal, loans and funds that are not available to the appliance.

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<sup>5</sup> <https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-13147.pdf>

### **3.7.1 Allowable Cost of Repairs**

Homeowners who used benefits received from insurance, SBA, and FEMA or other sources to make repairs to their Hurricane Michael-damaged property and can document these expenditures may be able to deduct verifiable amounts of these expenditures from the DOB assessment. This means that the original DOB amount assessed by HRRP can be reduced by the amount the homeowner spent on verifiable eligible repairs.

The homeowner will be required to document repairs made to the home within a Self-Certification of Repairs.

For self-certification, the following requirements apply:

1. The homeowner must provide a signed self-certification statement that documents, in detail, all labor and/or repairs made to the damaged property following the hurricane. (Self-performed labor or labor provided by friends, family, etc. on an informal (non-contractual or undocumented) basis cannot be valued monetarily and deducted from DOB).
2. A program inspector must determine with reasonable assurance that the repairs were made after the date of the hurricane by conducting a DRV, which will be used to inform the DOB and evaluation process. Xactimate will be utilized to determine the value of the repairs.

### **3.7.2 Contractor Fraud**

If a homeowner was a victim of contractor fraud, the amount paid to the contractor is not to be counted as a DOB provided the homeowner filed a police report and made every effort to recover the funds prior to the date of the application.

### **3.7.3 Forced Mortgage Payoff**

If a homeowner's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a DOB. In such cases, the amount verified by HRRP that was used for this purpose can be excluded from the DOB calculation if it is supported by appropriate supporting documentation. Such documentation should be in the form of a letter that is on mortgage company letterhead and signed by an authorized mortgage company representative stating the homeowner was required to use disaster assistance funds for mortgage pay down. HRRP will attempt to verify this information with the homeowner's mortgage company. Voluntary mortgage payoff, using insurance proceeds, is a DOB that will be counted in a homeowner's award calculation.

### **3.7.4 Legal Fees**

Legal fees that were paid in successfully obtaining insurance proceeds will be credited to the homeowner and will be excluded as part of their DOB. Homeowners will need to provide evidence of payment and a judgment or settlement document demonstrating the homeowner's success in the legal action. All other legal fees that a homeowner may have paid out of any disaster assistance proceeds will be included as part of their DOB.

### **3.7.5 Tax Filings**

Personal income tax filings related to losses to the home do not affect funding assistance awards and are not considered DOB. Homeowners should consult their personal tax consultant to seek guidance regarding any tax-related matters.

## 4. Calculating the Amount of DOB Offset

Documentation provided and reported by the applicant for eligible home repair related to Hurricane Michael will be totaled and considered for credit to the homeowner. The cost of interim housing (rent, hotel payments, Recreational Vehicle (RV) purchase, motor home purchase, travel trailer purchase) while the damaged home was unlivable can be excluded from the DOB amount. Acceptable forms of documentation include:

1. Self-certification statement that details home repair expenses and labor.
2. Police reports and all other documentation of attempts to recover funds, filed prior to application, that verifies contractor fraud.
3. Invoices confirming legal fees associated with successful insurance proceed collection.
4. Letter from the homeowner's mortgage company or bank confirming a forced mortgage payoff or pay down.
5. Receipts for home repair, if applicable

The HRRP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the storm-related repairs performed by conducting a DRV. Self-certified statements of homeowners must be reviewed in detail by HRRP to determine:

1. Whether the repairs could be reasonably determined as occurring after the hurricane.
2. A reasonable value of the cost of repairs to the home (including possible labor, not including self-performed labor as elaborated previously).

The value of eligible repairs, as determined by HRRP, will be compared to the total amount of DOB. If the DOB amount exceeds the documented amount of home repair expenses, then the difference between the two amounts will be deducted from the homeowner's award. This is referred to as a DOB gap.

### **Repair & Replacement (Mobile Homes)**

Homeowners with DOB gaps for repair or replacement must fund the shortfall in order to complete construction. If a homeowner elects to fund a shortfall, the homeowner must secure the funding before the time of signing the Homeowner Grant Agreement. Repair expenses in excess of the prior benefits received will not be reimbursed by the program.

### **Reconstruction**

Homeowners with a DOB gaps that have been deemed eligible for reconstruction will have the opportunity to take a scope reduction or fund the shortfall. A scope reduction will include selecting a smaller house plan than the plan for which they qualify, thus resulting in a lower cost of construction. The homeowner must elect a choice prior to the signing of the Homeowner Grant Agreement.

## **4.1 Subrogation**

Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, a homeowner must enter into a subrogation agreement where the funding agency (DEO) obtains the right to collect any additional disaster recovery or insurance payouts the homeowner receives for Michael damages after the homeowner has entered into a grant agreement for HRRP benefits.

All duplicative funding received must be remitted to or accounted for by the program, regardless of when it is received by the homeowner. If homeowners receive additional funding for the same purpose as the HRRP award (permanent repair to storm-damaged home) even after the HRRP award is executed or construction is completed, the homeowner is required to report the additional funding to the program.

By accepting the award, homeowners agree that they will report any duplicative funds to the program whenever received. Upon receipt of a report that additional benefits have been received, the program will recalculate the homeowner's award and provide instructions on whether the homeowner's award will be reduced by such amount, or whether the homeowner must remit such amounts to the program as reimbursement (when additional assistance received after program disbursements). Each homeowner will execute and be bound by a subrogation agreement.

## **5. Inspections and Environmental Reviews**

### **5.1 Overview**

All federal regulations regarding procurement, labor standards, environmental reviews including lead paint requirements apply to this program. Application may require additional review as issues are resolved which may extend the review process timeframe.

The program performs an on-site inspection of damages upon completion of all third-party verification required by HRRP as well as an environmental review. Environmental reviews are required to be performed on each homeowner's property to be eligible for the program. Homeowners are notified in writing at the application submission stage to cease any work in progress on a damaged residence until the environmental review is complete. This notice is provided in the acknowledgment section of the online application. Homeowners who do not cease work may not be eligible for the program. The program inspector must have full access to the property to note any work that has been started and/or completed.

### **5.2 Initial Inspection and Damage Verification**

As stated in Federal Register 85 FR 4681, January 27, 2020, all property improvements must be for unmet housing needs resulting from Hurricane Michael. Non-hurricane damage may only be addressed on structures that also have hurricane-related damage. Structures built before 1978 must be inspected for LBP hazards. Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from LBP.

Program staff will conduct site visits to observe and record the presence of unrepaired storm damage resulting from Hurricane Michael, determine the extent of the damage, and determine the estimated cost of rehabilitation. The homeowner will need to be present for these site visits. The inspector will be required to inspect the interior of the home to observe and record damages. The inspector will note any environmental concerns on the site or nearby that could affect the evaluation.

ECR provides a documented line item by line item estimate of the damages observed during an onsite visit to a homeowner's property that quantifies the materials and labor necessary to repair observed damages. The ECR is calculated using the classifications defined in the 2018 National Reconstruction Cost Book and incorporates costs necessary to ensure that the property meets the Construction Code, the International Residential Building Code (IRC), as well as meeting HUD HQS. The ECR does not provide an evaluation that takes into account an exact replacement of the homeowner's original home. In contrast to insurance estimates that may be based on replacement costs, the ECR evaluation is based on standards for basic livability developed for the program and on costs developed by the construction industry for those items. The methodology used to prepare the ECR is to account for those scope items that can be counted, measured, or observed. No destructive testing is performed during the estimation process. This means that hidden damages are not accounted for during this process. For example, termite damage behind a wall would not be discoverable during the estimation process if the wall covering is intact.

### **5.3 Eligible and Ineligible Items**

Items damaged by Hurricane Michael, such as air conditioners, heating systems, and water heaters are eligible to be replaced under the HRRP. Appliances and housing components that are not integral to the structure of the home and are not essential to basic health and safety, such as washers, dryers, and detached garages and carports are not eligible to be replaced under the HRRP. Luxury items and items with a quality grade above basic standards, such as granite countertops, are not eligible to be replaced in a like-for-like manner.

### **5.4 Environmental Review**

The program will conduct a broad Environmental Review at the programmatic level Tier I. This will include coordination with federal, state, and local agencies where applicable. Additionally, all applications must pass a federally required site-specific Tier II environmental review which contains a statutory checklist of 15 required review items; some of which may be deemed to be categorically excluded because of not being applicable to the project such as Sole Source Aquifers. The categories addressed in Tier I/Tier II include: (1) Historic Preservation, including State Historic Preservation Office and Tribal Reviews and National Historic Landmark; (2) Floodplain Management and Flood Insurance; (3) Wetlands; (4) Coastal Zone Management Act; (5) Sole Source Aquifers; (6) Endangered Species Act; (7) Wild & Scenic Rivers Act; (8) Air Quality; (9) Farmland Protection Policy Act; (10) Environmental Justice; (11) Noise Abatement and Control; (12) Siting of HUD-Assisted Projects Near Hazardous Operations; (13) Toxic Chemicals and Gases, Hazardous Materials, Contamination, and Radioactive Substances; (14) Airport Clear Zones and Accident Potential Zones; (15) Coastal Barrier Resources Act/Coastal Barrier Improvement Act. This environmental review will be performed at the program's expense. A site-specific review includes a review of HUD-defined environmental review topics.

Issues identified through the environmental review process will be addressed and in some cases mitigation measures implemented either before or during the construction process. The program may pay for mitigation of issues identified during the environmental review such as identification of LBP, if it is deemed an eligible activity. Homeowners will receive all federally required notifications.

The environmental review is a separate and distinct review from any other review. Other previously performed (or homeowner-provided) environmental reviews will not satisfy the program's requirements but can be taken into consideration in the review process. If an environmental condition identified on a homeowner's property cannot be cleared, the property may not be eligible for assistance.

### **5.5 Elevation Requirements**

Homeowner files are evaluated in detail to determine elevation requirements. The factors that go into a determination of whether elevation will be required or not include the location of the structure inside a floodplain, local jurisdiction determination of substantial damage/substantial improvement (if available), and the benefit for which the applicant will qualify based on his or her structure type.

The program will not engage in elevation activities as a standalone measure that is not connected to the repair of Hurricane Michael damages.

- Substantially damaged homes, as determined by the local jurisdiction, will require elevation to the program's two feet above the Base Flood Elevation (BFE) requirement or the local requirement, whichever is higher. Homes that will be substantially improved by the program, as determined by the local jurisdiction's evaluation of program scope during the permitting process, will require elevation to the program's two feet above the BFE requirement or local requirement, whichever is higher.
- Any slab on grade construction requiring elevation as a result of the local jurisdiction's substantial damage/improvement determination will be reconstructed at the two feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher as the program will not attempt to elevate a slab-on-grade structure.
- Homes with pier and beam construction requiring elevation as a result of the local jurisdiction's substantial damage/improvement determination will be elevated at the two (2) feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher.
- Replacement MHU requiring elevation above the standard installation height of three feet will be replaced with a modular housing unit elevated at the two feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher, unless the MHU is on leased land, in which case relocation of the MHU outside of the floodplain will be required.

## **5.6 Elevation Certificates**

The program will follow HUD guidance to ensure all structures, as defined in 44 CFR 59.1, designed principally for residential use and located in the 1% annual (or 100-year) floodplain, that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), will be elevated with the lowest floor, including the basement, at least two (2) feet above the BFE. The program will order elevation certificates for construction projects where necessary to comply with HUD's guidance

## 6. Award Determination

In addition to costs associated with the repair of the structure, awards may include expenses for additional related costs such as green building and mitigation requirements, elevation, insurance, accessibility modifications for the disabled, repair or replacement of water, sewer, and utility connection needs. Cost-effective energy measures and improvements that meet local zoning and code, required HQS, especially those improvements which add enhanced resilience, such as elevation of major electrical components, roof strapping, and other items, are also eligible. Environmental review and determined required remediation for items such as lead-based paint abatement, asbestos abatement, or other remediation components will also be eligible.

Elevations will be included for homeowners who meet requirements determined by the program, including substantially damaged properties as per locally approved floodplain requirements. Elevation will be required for properties that are substantially damaged in the floodplain and may be evaluated on case-by-case basis when required by local ordinance. The program will follow HUD guidance to ensure all structures, as defined in 44 CFR 59.1, designed principally for residential use and located in the 1% annual (or 100-year) floodplain, that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), will be elevated with the lowest floor at least two feet above the 1% annual floodplain elevation.

The formula below is how the program will calculate a homeowner's award:

1. Identify ERC.
2. Identify all Potentially Duplicative Assistance (DOB).
3. Deduct Assistance Determined to be Duplicative (DOB).
4. Apply Award Cap of \$350,000.
5. Identify pre-storm market value from the applicant's County records or other applicable source
6. Compare Determined Award Value to pre-storm market value to determine if the benefit will be reconstruction, replacement, or rehabilitation.

**Eligible Repair Costs/Need:** The program will determine an eligible repair estimate using information from the inspection. The repair estimate will be valued based on economy/standard grade materials and industry-standard labor costs.

**Calculating Potential Duplication of Benefits:** The full DOB will be accounted for at the time of the repair award calculation. The DOB check will be completed during the eligibility review of a homeowner's file, prior to the execution of the Grant Agreement and again prior to the processing of the final draw of funds. All DOB funding must be accounted for prior to the homeowner receiving an award. Homeowners with a duplication must place all DOB funding in the program's DOB Gap Funding account. Further guidance on DOB Gap Funding accounts will be provided by the program.

### SAMPLE AWARD TABLE

<b>Program Information</b>	
Household Income	
Household Members	
AMI Percentage	
Damaged Structure Type	
% Damage	
Benefit	
<b>Other Assistance Received</b>	
FEMA IA	
SBA	
Homeowners Insurance	
Flood Insurance	
ICC	
Non-profit/Other	
Total Disaster Assistance	
<b>Allowable Eligible Activities</b>	
<b>DOB Gap Funding Required at Closing</b>	

## 6.1 Zero Award

An applicant can meet the requirements for program eligibility, but not qualify for an award. This is known as a zero award. A zero award file is identified as a file where an applicant's total DOB exceed the total eligible award amount (remaining Hurricane Michael damage) for a repair, reconstruction, or replacement benefit

## **7. Preconstruction**

### **7.1 DOB Gap Funding**

If it is determined by the program that a DOB gap exists, the applicant may elect to:

1. Provide additional funds to be deposited into a DOB Gap Funding Account; or,
2. Take a scope reduction (reconstructions only) to select a smaller, lower-priced home than what the homeowner qualifies to receive from the program. The cost differential between the home for which they qualify and the lower priced home they select will be used to offset any DOB gap. Given that rehabilitations will only bring the home back up to current code or program standards, the scope reduction option to cover DOB gaps cannot be offered on rehabilitation projects.

Homeowners may not utilize DOB Gap Funding for construction activities such as upgrades, additions or other unnecessary activities.

Homeowner-provided funds that are deposited into the DOB Gap Funding Account for DOB will count toward the CDBG-DR cap limits listed in Part 1 of Section 1.13 of this document. All DOB Gap Funding will be drawn down first, prior to the use of program funds.

If the homeowner elects to take a scope reduction for a reconstruction the HRRP will assist the applicant with choosing a smaller house plan. The applicant may also elect to take a scope reduction and provide funding to close the DOB gap.

There will be three checkpoints for DOB throughout the process: (1) during the eligibility review of a homeowner's file; (2) prior to the execution of the Grant Agreement; and (3) prior to the processing of the file closeout.

### **7.2 Lead-based Paint (LBP) and Asbestos Hazard Identification**

LBP inspection provides two benefits: (1) the costs of mitigation measures are considered and must be factored into the cost estimates for repair/feasibility analysis and (2) the health risks to residents, particularly children and the elderly, may be severe. If the unit to be assisted was built prior to 1978, and will be rehabilitated, the assisted unit will be tested for the presence of lead-dust hazards. If present, the stabilization, encapsulation, or removal of lead-based paint will be considered in the costs of rehabilitation and included in the feasibility analysis for repair versus reconstruction. Projects that will be reconstructed will result in the demolition and removal of the structure, and therefore any potential lead hazards associated with the structure. As such, no lead-based paint testing will be conducted on reconstruction projects determined to be such at the time of the initial site inspection.

Federal asbestos regulations for testing and identification of asbestos apply to "facilities" as defined by those regulations. Single-Family housing does not meet this definition and is therefore exempt from the testing and identification requirements. Additionally, the State of Florida does

not have any state-level requirements for asbestos testing in housing projects. However, federal health and safety standards and materials handling and disposal requirements for asbestos-containing materials (ACM) still apply at the construction phase.

During the environmental review process, DEO has created a special condition for any home that was constructed prior to 1989 that indicates that testing may be required. As this is a very expensive process to undertake as a general condition of housing rehabilitation, the program has determined that asbestos testing, mitigation, and air monitoring activities will be undertaken when suspect ACM will be impacted by the rehabilitation or reconstruction activities only

For rehabilitation projects, contractors will identify any suspect ACM during construction. If suspect ACM is identified, the contractor will be required to stop work and request a change order for asbestos testing. If asbestos testing results confirm the presence of ACM that will be impacted by the rehabilitation process, the contractor will provide a containment or mitigation plan to encapsulate or remove the ACM in accordance with proper health and safety standards. DEO will approve a change order for the increase in project scope and construction duration to cover the containment or mitigation work, along with costs for air monitoring/clearance.

For reconstruction projects where the home to be reconstructed was originally built prior to 1989, the demolition of the home and removal of the building materials will result in the removal of any potential ACM. Contractors are to follow all federal requirements for worker and occupant safety, as well as materials handling and disposal.

### **7.3 Development of Costs for Repair Projects**

For projects that qualify for rehabilitation, the HRRP will develop site-specific sets of plans and specifications if required to facilitate the permitting process. Items that do not require permitting will be described in detail in the Estimated Cost for Repair (ECR) that will be reviewed with the homeowner and included in the executed constructed contracts. The ECR will included quantities of materials to be removed/replaced along with line-item descriptions of those materials.

### **7.4 Replacement Mobile/Manufactured Housing Units (MHUs)**

Mobile/Manufactured Housing Units (MHUs) greater than 5 years old or \$15,000 worth of eligible repairs (including hard and soft construction costs) will be replaced and not repaired. Replacement is the demolition, removal, and replacement of a damaged MHU with a new MHU in substantially the same footprint or at a new location if the original damaged unit was on leased land and the MHU owner must relocate to a new property. Applicants will be provided options for repair or replacement in these instances. Standard floor plans that meet program standards will be available. Size and configuration of bedrooms will be determined based on the size of the damaged structure. The new unit bedroom/bathroom configuration will be determined by the program's standardized mobile home replacement configuration.

## 7.5 Replacement MHU Relocations

Replacement MHU relocations are limited to applicants whose damaged MHU is located on leased property and whose (1) landlord/property owner will not allow for a replacement MHU to be placed on that property or (2) leased property is in a floodplain with an elevation requiring a modular home instead of a mobile home. Relocation of a replacement MHU is restricted to the installation of a replacement unit which is outside of a floodway or Special Flood Hazard Area (SFHA, or “floodplain”) at an established mobile home park or other land with an existing pad and utility infrastructure within a HUD or state identified Most Impacted and Distressed areas.

The program will require documentation that the established mobile home park or land has the requisite existing pad and utility requirements. An applicant provided letter from the landlord/property owner notating existing pad and utilities, occupational license, copies of sewage and utility bills, or other permitting issued by the local jurisdiction may serve as verification documentation in conjunction with photographs of the existing pad and utility hookups.

If the new site is located within an established mobile home park, the applicant must provide the program with copies of the park’s covenants and restrictions in addition to the above-mentioned documentation.

## 7.6 Environmental Review Record

An Environmental Review Record (ERR) must be completed on the original damaged site and the new site on which the replacement unit will be installed for applicants of an MHU relocation. Thus, in addition to the completed ERR on the original damaged site, the HRRP will conduct an environmental review on the newly selected lot. In order for the program to assess the new location, the applicant must have one of the following: a lease agreement for leased land or; an agreement to hold the leased lot or; a purchase agreement / deed for owned land in place at the new location. Copies of the lease, agreement to hold or ownership documentation must be submitted to the program prior to the program scheduling an ERR at the new site.

### 7.6.1 New Site Requirements

The site for the replacement MHU must be either an existing mobile home park with an existing pad and utility infrastructure for the MHU installation or land with an existing pad and utility infrastructure for the MHU installation. The program will not fund new site development of any kind. For the purposes of this policy, new site development includes, but is not limited to:

- Site clearing
- Site leveling
- Pad preparation
- Concrete or other substrate installation
- Utility and sewerage infrastructure installation

### 7.6.2 Elevation and Flood Insurance

Since the leased or owned property must be located outside of the floodplain for the replacement MHU, no elevation or additional flood insurance considerations are necessary to

comply with the program requirements.

## 7.7 Reconstruction Determinations and Plan Selection

During the feasibility analysis following the completion of the ECR, the determination will be made as to whether the home will proceed as a rehabilitation or a reconstruction. If the home is determined to be a reconstruction project, the home will be replaced with a standardized program offered floor plan of the same bedroom/bathroom composition.

In the event the current occupancy of the home results in an overcrowding instance, the program will reconstruct a home consistent with established HUD best practices.

### 7.7.1 Reconstruction Plans

The program will develop a group of standardized reconstruction plans and specifications to accommodate the most common lot dimensions to be encountered and incorporate the bedroom/bathroom configurations identified above.

Following determination of the reconstruction project, the program will obtain a site-specific survey and elevation certificate (if necessary) of the property to be reconstructed to determine the homes that fit on the lot without any zoning exceptions/variances. The applicant will be presented with the largest square footage, standard design floor plan that fits on their lot. As single-story homes are more cost-effective than multi-story configurations, the program will default to single-story homes where they fit lot constraints. The homeowner can select a smaller home if they choose. The homeowner will also be permitted to select a smaller square footage home to offset any duplication of benefits that may be required to be settled prior to initiation of construction.

The standardized plans and specifications developed by the program will incorporate program minimum standards, local code, and zoning requirements and will include builder-grade materials. These standardized plans are not being developed to create a like-for-like replacement for reconstruction efforts. Reconstruction plans and specifications will include any environmental considerations identified through the ERR process.

**Unsafe Conditions:** Unsafe conditions include but are not limited to: structures whose load bearing walls, columns, or other support components have been compromised, structures that have strong industrial or chemical odors or vapors emanating from the home, or structures that have been marked by the local authority as being unsafe to enter. If any of these conditions or similar conditions exist, the Assessor can, upon consultation with a supervisor and documentation in photos and a written description, limit the assessment to a reconstruction estimate.

**Demolished structures:** If a structure has been demolished or partially demolished, the Assessor takes photos to document the condition and completes the Initial Inspection Short Form.

The program will offer standardized new house designs for reconstruction projects. HRRP will not provide customized home designs. The program will determine which floor plan size each homeowner requiring reconstruction is eligible based on the information above. The program will build the home to the Energy Star Certified Home standard applicable to Florida. More information is available at: [https://www.energystar.gov/newhomes/homes\\_prog\\_reqs/florida](https://www.energystar.gov/newhomes/homes_prog_reqs/florida)

## **7.8 Contractor Assignments and Construction Agreement**

The overall goal of the construction program is to construct high-quality homes or complete high-quality repairs to damaged homes in a timely manner to expedite homeowner recovery from Hurricane Michael. The program will utilize the existing Florida DEO construction contractor pool to achieve this goal. Within this contractor pool, the Florida DEO holds the construction contract with the general contractors (GCs) but the day-to-day management of the GCs will be performed by the contracted Program Manager.

In order to expedite the quality construction contemplated by the program, the Program Manager will make assignment recommendations to the Florida DEO based on GC performance within the Hurricane Michael recovery efforts. Additionally, consideration will also be given to GC construction capacity in making these recommendations. Factors taken into consideration for assignment recommendation include, but are not limited to the following:

1. **Construction Quality** – construction quality will be measured by the number of passed program inspections vs. the total number of inspections. The higher the quality score, the higher the grade for the GC.
2. **Timeliness of Construction** – construction timeliness will be a construction speed measurement between all contractors. The clock will start upon issuance of the Notice to Commence Construction (NTC) and will end up the successful pass of the program's final inspection. All components of the program's final inspection must be met to secure a passing inspection.
3. **Customer Service** – General Contractors are expected to keep homeowners apprised of construction efforts on their properties. Typically, GCs that do not coordinate and communicate with homeowners have a high number of customer service complaints. While this is not a hard and fast rule, it is more common when homeowners are not kept informed. As such, the program will track homeowner complaints vs. total number of homes completed to come up with a customer service score.
4. **Construction Capacity** – overall construction capacity is typically governed by a contractor's liquid financial resources, bonding capacity, and management plans. The Program will review contractor capacity documentation and make recommendations on capacity to the Florida DEO. Typically, as contractors approach or exceed their construction capacity, construction quality and timeliness are negatively impacted. The goal of the program should be to strike a balance with the contractors to assign them sufficient work to hit peak performance which will be a lower number of assignments than their maximum capacity.
5. **Construction Type** – There are many different GCs approved by the Florida DEO in their GC Contractor pool. The program does not assume that all contractors will do all types of work in all areas the same. As such, the program assignments will take into consideration whether a GC prefers reconstructions, or rehabilitations, or MHU replacements.

6. Construction Location – The program will confirm that the project location is within an area that can be effectively completed by the GC. It is understood that not all contractors will serve the entire 12 counties included in the Hurricane Michael recovery efforts.

Once assignment recommendations are developed by the program, the program will make contact with the potential GC to confirm each assignment. Upon confirmation with the GC, the program will officially make the assignment recommendations to the Florida DEO. Florida DEO, as the contract holder for the GCs, will then review and approve/comment on the assignment recommendations made by the program. Following receipt of Florida DEO approval, the assignment will officially be made in Canopy and the GC will be issued a Notice to Proceed to complete pre-construction activities.

## **7.9 Contract Execution Documents**

The following documents will be signed by the homeowner at the time of contract execution:

1. Homeowner Grant Agreement;
2. Agreement to maintain flood insurance and notify future owners (if in 100-year floodplain);
3. Award Acknowledgement Letter;
4. Subrogation Agreement; and
5. Any other documents required by HRRP.

Typically, at this meeting, the homeowner will receive an explanation of the work to be performed on their property. If the work is a rehabilitation, the program will go through each page of the construction scope of work and obtain homeowner approval on the scope of work.

If the work to be performed is a reconstruction, the homeowner will be shown sample renderings of the home along with basic floor plan information. Homeowner signature will be obtained on the plans and on their selections.

If the work to be performed is an MHU replacement, the homeowner will be shown the sample renderings and floor plan of the replacement MHU and will sign acknowledging the MHU to be provided.

## **7.10 Notice to Proceed**

Notice to Proceed is given after HRRP approves the contract and performs all administrative assignment procedures. This is the point at which the homeowner is notified to vacate and remove belongings from the home (if necessary), the contractor obtains necessary permits, the contractor provides performance and payment bonds (if applicable), and utilities are terminated (if applicable).

## **7.11 Notice to Begin Construction**

Notice to begin construction will be issued to the contractor upon proof that bonds have been provided, permits have been obtained and any other site preparatory conditions have been met. This will constitute the start of the contractual performance period for construction.

## 7.12 Contractor Requirements

1. All contractors will carry and provide proof of a current general liability policy in at least the aggregate amount of all contracts awarded in this program within 10 business days of award. Failure to do so may result in termination of award.
2. All contractors must secure and provide proof of performance and payment bonds within ten 10 business days of award. Failure to do so may result in termination of award.
3. Contractors will be responsible for documenting (with photographs and written reports) any preexisting and pre-storm damage to the property that has not been included in the scope of work. Any work performed on items not contained in the scope of work prior to a program approved change order will be done so at the general contractor's risk.
4. Contractors are responsible to comply with [HUD's Lead Safe Housing Rule \(LSHR\)](#), found in 24 CFR Part 35, Subparts B through M, and the, [EPA Renovation, Repair and Painting Rule \(RRP\)](#), in 40 CFR Part 745 and all other applicable rules and regulations. Project sites are required to be in full compliance at all times.
5. All firms performing, offering, or claiming to perform renovations for compensation in target housing must comply with EPA's RRP Rule and EPA's Lead-Pre-Renovation Education (Lead- Pre) Rule. Regulatory requirements can be found in [40 CFR Part 745 Subpart E – Residential Property Renovation](#). This means that all general contractors participating in this disaster recovery program must be EPA certified. In addition, all individuals performing renovation work on behalf of the firm must be certified renovators.
6. The contractor will be responsible for determining utility needs, providing sanitary facilities, safely operating equipment on-site, and obtaining any required permits.
7. Contractors should not disturb the site prior to receiving a notice to begin construction. Failure to comply could result in termination of award.
8. Upon completion, the property must meet applicable program building standards.
9. All work performed by the contractor will be guaranteed for the following periods. The start date for these warranty coverages will begin from the date of the key turnover to the applicant:
  - One (1) Year – general warranty for repairs to the home;
  - Two (2) Years – electrical, plumbing, and mechanical warranty (if such work is performed); and
  - Ten (10) Years – structural warranty (if structural work is performed).

For the specified period in the warranty, from the time of the key turnover to the applicant, the assisted applicant may require the contractor to correct defects or problems arising from their work under the contract. Applicants will be provided with a program-managed phone number to call in all warranty needs associated with their application.

Upon receipt of applicant warranty request, the program will review the applicant's scope of work to determine if their claim is a valid warranty request. The call and subsequent disposition will be

*Single-Family Owner-Occupied Housing Guidelines for Hurricane Michael*

logged into the warranty module within the system of record and if required, the GC will be notified of the claim. The GC will then be required to address the warranty claim and report back to the program when complete. The program will ensure that the work is complete to the satisfaction of the program applicant and will close the warranty ticket within database of record.

## 8. Construction

### 8.1 Overview

**Repair** is defined as non-emergency repair or renovation of a limited specified area or portion of a housing structure. Repair will also be defined as bringing rehabilitated portions of properties into compliance with local building codes, and the entire structure into compliance with HUD Minimum Property Standards (MPS) (or applicable Building Code being enforced), and Housing Quality Standards including compliance with Section 31 of the Federal Fire Prevention Control Act of 1974 and local building codes and standards.

The entire structure must also be in compliance with minimum property standards established by the program, which are based on HUD's Housing Quality Standards, Florida Green Building Code (where applicable), HUD Green Building Retrofit Checklist (where applicable), and all state and local code requirements.

Repair will be limited to stick-built structures, and MHUs that have been deemed feasible for repair as outlined in section 1.14 Feasibility Analysis.

**Reconstruction** will be defined as the demolition, removal, and disposal of an existing housing unit and the replacement of that unit on the same lot, and in substantially the same footprint, with a new unit that complies with the International Residential Codes (IRC) as required by Florida Building Code.

Replacement is the demolition, removal and replacement of a damaged MHU with a new MHU in substantially the same footprint, or at a new location if the original damaged unit was on leased land and the MHU owner must relocate to a new property. Relocation of a new MHU will require additional environmental review.

**Elevation** will be conducted by means of pier and beam construction. Fill to achieve proper elevation height up to 3 feet above grade, if permissible within zoning regulations, will be eligible if determined by the architect/engineer of record.

### 8.2 Lead-based Paint Disturbance and Mitigation

Contractors must ensure the following minimum requirements are met at all times:

1. All sites are clean and protective covering is placed where required by applicable regulations during the renovation, especially when paint-disturbing activities are taking place.
2. All workers on-site are to have proper certifications with them while on site.
3. The Lead Renovator's certificate is required on-site at all times from the start of the renovation until the final lead clearance has been achieved.
4. Ensure proper techniques are being used when performing paint disturbing activities.

5. At a minimum, the following two items are required to be posted at all times to be seen clearly by anyone approaching the site and all workers until final lead clearance is achieved:
- Environmental Protection Agency (EPA) RRP required warning signage in English and Spanish:



Example Signage

- Occupational Safety and Health Administration (OSHA) required lead warning signage in English and Spanish:



Example Signage

If site conditions are noncompliant, a stop work order will be issued until all problems are resolved and verified by program staff. The time the project is on hold will be included when calculating construction duration and is considered fault of the contractor and subject to performance penalties. Any issuance of a stop work order will also be taken into consideration when determining future assignments and participation in future projects.

## **8.3 Repair and Reconstruction Progress Inspections**

The number of program inspections and the items being inspected in each program inspection will vary depending upon whether the construction effort is a reconstruction, a rehabilitation, or an MHU replacement. The goal of the program inspections is to ensure that the homes being constructed are done so according to the plans/specifications or scope of work provided, are achieving the required municipal/code inspections, and that the construction work is completed in a manner that achieves the program's quality expectations. The program inspection process does not supersede or circumvent the municipal or code inspection requirements.

Any re-inspections required resulting from GC failed progress inspections will be subject to a \$225 reinspection fee due prior to scheduling of any subsequent inspections for that application.

Upon 50% completion of the Estimated Cost of Repair (ECR), the contractor will notify the HRRP and request a 50% inspection of the construction activities completed. The program's Project Manager will conduct the 50% inspection to evaluate the contractor's progress, confirm that local building codes or standards have been met, and verify that the construction activities have been completed in accordance with the Estimated Cost of Repair (ECR). If the inspection fails, the Contractor must correct any deficiencies and request a re-inspection. In order for the contractor to request a 50% inspection, the following conditions must be met:

- The building shall be in a "dried in" state, meaning windows, doors, roof and siding shall be in place, thus preventing water intrusion into the interior of the house.
- The rough-in plumbing shall be complete.
- The electrical rough-in shall be completed, including, but not limited to, the placement of receptacle boxes, switch boxes and the placement of the circuit breaker box.
- The 50% inspection will be conducted utilizing the ECR provided by DEO.

Upon passing the inspection, including any additional clearances required, the contractor may submit a 50% invoice package for the items completed with all required documentation. Upon successful completion of the 50% invoice package review, payment will be issued to the contractor less a retainage of 10%. The 50% inspection and payment can be waived by the HRRP and contractor, in writing, on a case-by-case basis. Instances in which the 50% inspection and payment can be waived include, but are not limited to:

- Reducing the risk of compromising inspection standards providing a decent, safe and sanitary environment.
- Limited scope of work encompassing primarily roof damage or minor repairs.
- Efforts to expedite project completion to prevent further damage to the property owner's home

## **8.4 Final Inspection and Warranty Information**

Once the contractor has completed all construction activities outlined in the Estimated Cost of Repair (ECR) the contractor will request a Final inspection to guarantee that all work has been satisfactorily completed according to the appropriate state and local codes and standards and

accepted by all appropriate building code enforcement and third-party inspectors, and that the home meets HUD Housing Quality Standards (HQS) as defined in the Definitions section of this document. The homeowner has the right to sign off on the Final Inspection; however, HRRP reserves the right to waive the homeowner's signature if the HRRP deems all repairs have been completed and the homeowner delays signing.

## **8.5 Re-Inspections**

Should the HRRP observe any fault(s) during the progress and/or Final Inspections, the construction contractor will be informed of the fault(s) and be provided a written report of the findings. When the construction contractor has remedied the fault(s), the construction contractor may request a re-inspection to be performed at a time no earlier than 48 hours from the request. A re-inspection fee, in an amount not to exceed \$225 per re-inspection, will be assessed and will be the responsibility of the construction contractor. The re-inspection fee must be paid by the contractor prior to the scheduling of the re-inspection.

## **8.6 Change Orders**

Where additional work is necessary to make repairs or to correct unforeseen or dangerous conditions, the contractor will submit a Change Order consisting of a detailed description of the work needed, including quantities and location, the cost of such work, and the time necessary for such work to be completed to HRRP. Unless it is determined there exists an immediate health and safety danger, no work shall be authorized until agreed upon in writing by HRRP. All Change Orders will be reviewed for eligibility and cost reasonableness as defined in 2 CFR 200 Subpart E.

Change orders must be submitted within 7 days of discovery of out of scope or unforeseen item discovery. Upon submission of the final draw request, contractor acknowledges that no outstanding or unapproved change order work exists, and the final payment satisfies all claims for the entire application.

## **8.7 Method of Payment/Invoice**

Upon passing the 50% and Substantial Completion Inspections, including any additional clearance required, the contractor will submit the appropriate invoice and all required documentation to the HRRP. If the contractor has questions or concerns regarding the invoice, the contractor may contact the Project Manager/Construction Lead with questions.

Invoices must contain the contract number, purchase order number, and the appropriate Federal Identification Number (FEID). The HRRP may require any other information from the contractor that the HRRP deems necessary to verify that the goods and or services have been rendered under the contract. The contractor shall provide complete pricing information for all items. All requests for compensation for services or expenses must be submitted in detail sufficient for a pre-audit and post-audit in accordance with subsection 287.058(1)(a), Florida Statutes.

## **8.8 Homeowner Responsibilities During Construction**

The HRRP will not be responsible for lost or damaged belongings of the homeowner that may have occurred during construction. The homeowner must secure or relocate his/her belongings until construction is complete.

1. Upon signing the contract, the homeowner will have 30 calendar days to move out of the property and store any valuable personal property that might be damaged during the course of construction.
2. The homeowner must arrange access to the property for building contractors providing construction services. If reasonable and timely access is denied to a building contractor who is attempting to make a good-faith effort to perform required repairs, the homeowner will be removed from the program.
3. The homeowner is responsible for the security of his/her property and personal belongings. Movement, storage and security of personal property are the homeowner's responsibility. Replacement or reconstruction benefit applicants will be provided with one temporary on-site storage unit for homeowner's use.
4. If provided with an on-site storage unit, the homeowner will be required to remove all belongings from the onsite storage unit within 14 days of completion of final inspection/key turnover. The unit will be removed by the contractor within the following 14-days. Any items remaining in the unit after 14 days will be removed from the unit and placed on the homeowner's property so the unit can be removed.
5. During construction the homeowner must not interfere in repair areas and must make a reasonable effort to stay away from the construction zone. Homeowners are required to schedule site visits with the construction superintendent if site visits are needed/wanted. Homeowners, at a minimum, will be able to inspect the work prior to each scheduled program inspection.
6. All debris, abandoned vehicles and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. Homeowners must remove dilapidated personal property.
7. The homeowner must provide all existing utilities as needed for use by the building contractor during construction. These utilities will be provided at the homeowner's cost. Neither the program nor the contractor will be liable for any utility payments on the property during the construction phase of the project.
8. In accordance with the requirements in the Grant Agreement, the homeowner will agree not to transfer ownership of the property or any interest in the property until the rehabilitation, reconstruction, or replacement has been completed.

## **9. Post Construction**

### **9.1 Overview**

In the Single-Family Owner-Occupied program, post construction consists of the following tasks: compliance period monitoring, file closeout, subrogation and recapture.

### **9.2 Compliance Period Monitoring**

In the Single-Family Owner-Occupied program, the applicant is required to occupy the home for three (3) years following completion of construction. During this time DEO has the right to request documentation for proof of occupancy to ensure the applicant has continued owning and residing in the home for the required 3-year period. See section 2.4 for definition of primary residency.

The 36-month occupancy is monitored annually by the program and/or DEO staff. The compliance and monitoring policy include the following prorated amounts of grant repayment, if the applicant is not determined compliant within the 36-month compliance period:

- If within the first 12 months monitoring period, applicants fail to comply with the compliance requirements, the applicant is responsible for repaying the total grant amount back to DEO.
- If within 13-24 months monitoring period, applicants fail to comply with the compliance requirements, the applicant is responsible for repaying 2/3 of the total grant amount back to DEO
- If within 25-36 months monitoring period, applicants fail to comply with the compliance requirements, the applicant is responsible for repaying 1/3 of the total grant amount back to DEO

If the applicant is in compliance at or on the beginning of the 37th month of the compliance and monitoring period, the promissory is released and the total grant amount is forgiven.

### **9.3 Closeout Review**

Once all construction contractor payments have been issued, the file will move into the closeout review stage. Closeout review is a multi-tiered review that results in a full file, end-to-end verification process. The verification process starts at the case manager level, where the basic file documentation requirements for the program are reviewed and any additional documentation that may be needed is gathered. At this stage, the applicant's Duplication of Benefit information is re-checked against the federal data sources to determine if there has been any disbursement of additional benefits between the point that the applicant signed the award and the construction was completed. Whether a change has occurred, and the amount of any change is documented at this step.

Once the initial end-to-end file review is completed by the case manager, the file is routed to the eligibility and DOB/VOB QA/QC team. The QA/QC team may correct any issues with the file,

return the file to case management for additional work, or approve the file for routing to DEO for final review and approval.

DEO's eligibility review team will be the final checkpoint on the way to an applicant's individual file closeout. The DEO eligibility review team will review the findings of the case manager and initial QA/QC team. DEO may return the file for further work, route the file to subrogation/recapture or accept the file for closeout.

The items reviewed for closeout at the case management and first level QA/QC levels include documentation that the applicant file is complete, such as:

1. Applicant eligibility (income, ownership, occupancy, citizenship, etc.);
2. Property eligibility (location, structure type, tie back, remaining unmet need);
3. Applicant certifications (stop work, lead brochure, flood insurance, subrogation, fraud, etc.);
4. Tier II Environmental Review signed by Certifying Officer;
5. Construction related environmental requirements (lead risk assessment, clearance, elevation, historic, etc.);
6. If tenants, tenant and URA documentation present;
7. Duplication of Benefits documentation;
  - a. Reassessment of DOB and if new benefits, mark for subrogation;
8. Applicant communications;
9. Applicant documentation (backup documents, grant agreement, etc.); and
10. Construction documentation (inspection reports, change order cost reasonableness, etc.).

The items reviewed for closeout at the DEO level include documentation proving, at a minimum:

1. National Objective;
2. Eligible Activity;
3. Verification of case management findings for items listed above;
4. Verification that DOB gap payments were drawn down prior to program funding;
5. Verification of recommendations for subrogation;
6. Copy of Bid Documents;
7. Copy of Construction Contract;
8. Copy of Change Orders;
9. Proof of Final Construction Payment;
10. Appeals process complete, if applicable; and
11. Copy of any complaints received and result.

## **9.4 Subrogation**

When an applicant receives benefits from federal disaster assistance sources, non-profits or their insurance after the award determination is made and prior to the file closeout DOB reassessment, these funds may be owed by the applicant to the program. Applicants are made aware of this at the application stage, through program reminders and at award closings where the grant agreement is executed. As part of the grant agreement process, applicants also sign a subrogation agreement.

If during the closeout review process the DOB reassessment results in a finding that additional duplicative funds were provided to the applicant, DEO will notify the applicant of the duplicative

funding amount. This letter will include demand for payment of the funds that must be subrogated to the program. The applicant must submit these funds via certified check to DEO.

## **9.5 Recapture**

DEO may expend funds on applicant projects where the applicant fails to maintain compliance with program policies and procedures. In some instances, DEO may be able to work with the applicant to bring the applicant back into compliance; but in others, the violation will result in disqualification. Should DEO expend funds on an applicant project that becomes non-compliant, and which cannot be remedied, the applicant may owe the funding expended on the project back to DEO. This is known as recapture of funding.

## **Appendix A: Affirmative Marketing Plan**

The program is committed to affirmative furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

1. This Affirmative Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, outlines the policies and procedures for housing activities. Procedures are established to affirmatively market units financed through the program. The procedures cover dissemination of information, technical assistance to homeowners, project management, reporting requirements and project review.
2. The goal is to ensure that eligible persons from all racial, ethnic, national origin, religious, familial status, the disabled, special needs, gender groups and populations least likely to apply for assistance are given the opportunity to rehabilitate their primary residence which sustained damages due to Hurricane Michael land/or its after-effects.
3. In accordance with the affirmative marketing policies and procedures, program participants will be informed about available opportunities and supporting requirements through counselors, printed and electronic materials, publications, direct contact, workshops/seminars and the placement of flyers/posters in public facilities.
4. HRRP will conduct marketing through widely available media outlets, and efforts will be taken to affirmatively market the Rebuild Florida CDBG-DR program as follows:
5. Advertise with media outlets that provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
6. Reach out to public or non-profit organizations and hold/attend community meetings.
7. Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach if necessary.
8. Applications and forms will be offered in English and other languages prevailing in the region. In addition, every effort will be made to assist Limited English Proficient homeowners in the application process.
9. In addition, measures will be taken to make the program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested (with three days' notice), and providing special assistance for those who are visually impaired when requested (with three days' notice).
10. Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
11. HRRP will use the Fair Housing logo in program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights under Fair Housing regulations.

## Appendix B: Reconsiderations/Appeal/Complaint Process

### RECONSIDERATION REQUESTS, APPEALS & COMPLAINTS

In accordance with 24 CFR 91 Citizen Participation Plan and 24 CFR 570.486(a) (7), the HRRP has developed the reconsideration, appeals and complaints process. Through the reconsideration process, applicants have a mechanism for requesting further review on a decision made on their file. Once exhausting the reconsideration process, should an applicant disagree with the result of the request for reconsideration, the decision of the HRRP can be further reviewed through an agency informal appeals process. Program policies are not appealable. In addition, citizens may file complaints- both formal and informal- which will be responded to in 15 working days.

Information about the right and how to file a reconsideration request, agency informal appeal and complaint will be printed in all guidelines and posted on the Rebuild Florida website, [www.rebuildflorida.gov](http://www.rebuildflorida.gov), in all local languages, as appropriate and reasonable.

#### **DEO Requests for Reconsideration**

Throughout the process, decisions will be made on an application and/or project to be delivered. The decisions are made based on statutes, codes of federal regulation, local administrative code, state and local guidelines as they are interpreted by the program. This policy guides the process for an applicant or contractor requesting program reconsideration of decisions made by the HRRP.

**Grounds to request reconsideration of a decision.** Applicants who have applied for funding for disaster recovery may only request reconsideration of the disposition of a program decision on one or more of the following:

1. Duplication of Benefits (DOB) Gap
2. Scope of Work
3. Damage Repair Valuation (DRV)
4. Structural Assessments

**Reconsideration request of local program decision.** A party requesting reconsideration must file a written request for reconsideration with the HRRP to request a review within (30) calendar days of the date of the Award Acknowledgement Letter. The written request must include specific information relating to the reconsideration of the HRPP decision. HRRP will acknowledge receipt of the request. HRRP will respond in writing to the request no later than 15-working days after the date of receipt of the request. The response may take one of the following actions:

1. Acknowledgment of receipt of the request for reconsideration and notification that the review of the applicant file may take longer than 15 working days;
2. Request for additional supporting documentation or information from the applicant;
3. Status of the investigation and estimated timeframe for decision; or
4. Final determination of the issue to:
  - a. Concur with the request and make the appropriate adjustments to the staff member's decision; or
  - b. Disagree with the request and provide the basis for rejecting the request for reconsideration to the party.

Should an applicant disagree with the result of a request for reconsideration, the applicant will be provided with a notice of administrative right to appeal and instructions for the appeal process. In order to request a reconsideration, please submit a written notice to [michael.reconsiderations@rebuildflorida.gov](mailto:michael.reconsiderations@rebuildflorida.gov) or submit by postal mail to the following address:

Rebuild Florida  
Michael Housing Repair and Replacement Program  
Attention: Reconsiderations Team  
545 John Knox Road, Suite 102  
Tallahassee, FL 32303

### **DEO Complaints**

Citizens may file a written complaint through the Disaster Recovery email at CDBG-DR@deo.myflorida.com or submit by postal mail to the following address:

Florida Department of Economic Opportunity  
Division of Community Development  
Attention: Rebuild Florida Constituent Services  
107 East Madison Street, Caldwell Building, MSC 400  
Tallahassee, FL 32399

### **HUD Complaints**

If the complainant is not satisfied with the subrecipient determination or DEO response, the complainant may file a written appeal by following the instructions issued in the letter of response. If after the informal appeals process the complainant has not been satisfied with the response, a formal complaint may then be addressed directly to the HUD regional office at:

Department of Housing and Urban Development Charles E. Bennett Federal Building  
400 West Bay Street, Suite 1015  
Jacksonville, Florida 32202

The Florida Disaster Recovery Program operates in accordance with the Federal Fair Housing Law (The Fair Housing Amendments Act of 1988). Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination (phone: 1-800- 669-9777 or online: [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)).

### **Appeals**

**DEO Informal Appeal:** The decision of the HRRP can be further reviewed through an agency informal appeals process. A party requesting a DEO informal appeal must file a written request for informal appeal within 30 days of the ineligibility determination and notice to appeal. In an informal appeal, DEO will conduct investigations, as necessary. In addition, an informal appeals hearing will be held, as necessary. The informal appeals hearing will be held by telephone with all involved parties on a conference call. After the request for a DEO informal appeal is filed, the following events will occur:

1. A Notice of Hearing will be mailed, listing the date, time and contact information for the scheduled hearing.
2. Once the appeal hearing is complete, a decision of the result will be distributed.

Citizens may file an informal appeal through the Disaster Recovery email at CDBG-DRAppeals@deo.myflorida.com or submit by postal mail to the following address:

Attention: Office of Disaster Recovery, Appeals Lead  
Florida Department of Economic Opportunity  
Division of Community Development  
107 East Madison Street Tallahassee, FL 32399

**Formal Appeal / Notice of Administrative Appeals Rights:** Any person whose substantial interests are affected by DEO's determination has the opportunity for an administrative hearing with the Division of Administrative Hearings pursuant to section 120.569, Florida Statutes. For the required contents of a petition challenging agency action, refer to rules 28-106.104(2), 28-106.20(2), and 28-106.301, Florida Administrative Code.

Any petition must be filed with the Agency Clerk within 30 calendar days of receipt of this determination. A petition is filed when it is received by:

Agency Clerk Department of Economic Opportunity  
Office of the General Counsel  
107 East Madison Street, MSC 110 Tallahassee, Florida 32399-4128  
Fax: (850) 921-3230  
Email: [Agency.Clerk@deo.myflorida.com](mailto:Agency.Clerk@deo.myflorida.com)

If an applicant files a request for a DEO informal appeal, the requirement to timely file a petition challenging agency action will be tolled until a decision is rendered by the Department. At that time, a new appeal window will begin. No applicant will lose their rights under Chapter 120, Florida Statutes, by filing a request for informal appeal.

### **Uniform Relocation Act (URA) Appeals**

Homeowners may appeal any case in which he or she believes that HRRP has failed to properly consider his or her application for assistance. This includes, but is not limited to, the homeowner's eligibility for, or the amount of, a payment required for relocation assistance. The homeowner must appeal HRRP decisions related to relocation assistance within 30 days of receiving a written determination from HRRP outlining the program's decision related to his or her eligibility for benefits or amount of benefits.

### **Complaints**

The goal of the Housing Repair and Replacement Program (HRRP) is to resolve citizen complaints and inquiries in a manner that is both sensitive to the complainants' concerns and to achieve a fair result. The HRRP will treat all citizens with respect and respond to complaints and inquiries within 15 working days, where practicable.

Information on how to file a complaint will be available on the website, at the program offices, and included on printed materials.

### **Citizen Complaints**

All complaints and inquiries that are brought forward will be addressed through the Office of Disaster Recovery's Constituent Management Services staff. Complaints are any verbal or written statement of grievance – including phone calls, emails, faxes, or letters that are received by the

state, its contractor, and/or other program sources. Inquiries are requests for information or assistance. All complaints and inquiries that are received will be reviewed by the Constituent Management Services staff for:

1. Investigation, as necessary;
2. Resolution; or
3. Follow-up actions.

Every complaint and inquiry will be included in a tracking system. Constituent Management Services staff will maintain electronic files that include:

- Name of the complainant and contact information;
- Date the complaint was received;
- Description of the complaint;
- Name of each person contacted in relation to the complaint;
- A summary of the result and the date of the response to complainant; and
- Explanation of the resolution of the file.

The Constituent Management Services staff will review these complaints and inquiries at least monthly to determine if there is a pattern developing and, if so, determine if the issue warrants a policy change or further training.

Complaints and inquiries can be submitted in any of the following ways:

1. Directly to DEO:
  - a. Via the program website to complete an online complaint form at: <http://floridajobs.org/rebuildflorida/rebuild-florida-homeowner-complaint-form>
  - b. Via U.S. mail to:

Attention: Rebuild Florida Constituent Services  
Florida Department of Economic Opportunity Division of Community Development  
107 East Madison Street Caldwell Building, MSC 160 Tallahassee, Florida 32399
  - c. Via email to: [cdbg-dr@deo.myflorida.com](mailto:cdbg-dr@deo.myflorida.com)
2. Directly to a program-level representative:
  - a. Via calling the Rebuild Florida HRRP Michael hotline at 888-530-3025 to receive assistance from a Call Center Agent.
  - b. In-person at an Customer Service Center to receive assistance from an Intake Specialist

### ***Fair Housing Complaints***

Persons alleging a violation of fair housing laws will be referred to DEO's local contact and process to file a complaint. DEO will retain a log and record of all fair housing inquiries, allegations, complaints, and referrals. In addition, DEO will report suspected non-compliance to HUD. The contact for Fair Housing Complaints is:

[FairHousing@deo.myflorida.com](mailto:FairHousing@deo.myflorida.com)  
Phone: 850-717-8426

**Contractor Fraud**

All eligible damaged properties will have multiple onsite inspections conducted by Rebuild Florida representatives. All inspections are arranged by appointment and applicants will receive official communications from Rebuild Florida before any representative arrives to his or her property. Should an inspector or contractor arrive at an applicant's home without notice, the applicant should immediately inform the program by calling 844-833-1010.

Rebuild Florida inspectors and contractors will never ask for an applicant's personal information such as Social Security number, date of birth, or bank account information. If an applicant receives such a request, the applicant should not provide any information and report the incident to the program immediately.

All suspected cases of fraud will be taken seriously, and complaints will be reported to DEO's Office of the Inspector General at [OIG@deo.myflorida.com](mailto:OIG@deo.myflorida.com). If DEO determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov))