

HOME RECOVERY **ALABAMA PROGRAM**



Program Guidelines

Version 2.0

August 9, 2023

Version Control

Version Number	Date	Summary of Changes	Approved By
1.0	March 21, 2023	Original version	Kenneth Boswell; Director Alabama Department of Economic and Community Affairs
2.0	August 9, 2023	<ul style="list-style-type: none"> • Updated address of Jackson Intake Center • Updated Section 9.1 to include considerations for repair of historic properties and multi-unit structures • Added option to appeal via online portal 	Kenneth Boswell; Director Alabama Department of Economic and Community Affairs

Table of Contents

Version Control	ii
Table of Contents	iii
Version Policy	vii
Policy Change Control	vii
1 Introduction	1
2 Program Overview	1
2.1 Purpose and Objective of HRAP	2
2.2 National Objective	2
2.3 Eligible Counties	3
2.4 Award Caps	3
3 Intake Application	4
3.1 Applicant Identification	5
3.1.1 Applicant Designees	5
3.2 Required Applicant Certifications	6
3.3 Order of Assistance (Priority)	7
4 Eligibility Requirements	8
4.1 Ownership (Applies to Owner-Applicants and Landlord-Applicants)	14
4.1.1 MHU Ownership	14
4.1.2 Stick-Built Properties Ownership	14
4.1.3 Title Clearance Activities	15
4.1.4 Death of an Owner-Applicant	15
4.2 Primary Residence (Applies to Owner-Applicants Only)	15
4.2.1 Documents Required	16
4.3 Property Must be Located in Eligible County (Applies to Owner-Applicants and Landlord-Applicants)	16
4.4 Property Has Unrepaired Storm Damage (Applies to Owner-Applicants and Landlord Applicants)	17
4.5 Eligible Structure Type (Applies to Owner-Applicants and Landlord Applicants)	17
4.5.1 Ineligible Structures	17
4.6 Property Taxes Current (Applies to Owner-Applicants and Landlord Applicants)	18
4.7 Mortgage in Good Standing (Applies to Owner-Applicants and Landlord Applicants)	18
4.8 Household Must be Low- to Moderate Income (LMI) (Applies to Owner-Applicants Only)	18

4.9	No Bankruptcy or Foreclosure (Applies to Landlord-Applicants Only)	20
4.10	Property Must not be in 100-Year Floodplain (Applies to Landlord Applicants Only)	20
4.11	Property Must be Vacant at Time of Application (Applies to Landlord Applicants Only)...	20
5	Conflict of Interest.....	21
6	Duplication of Benefits	21
6.1	Common Available Assistance	22
6.1.1	FEMA Individual Assistance (IA)	22
6.1.2	FEMA National Flood Insurance Program (NFIP)	23
6.1.3	Increased Cost of Compliance (ICC)	23
6.1.4	Private Insurance	23
6.1.5	Small Business Administration (SBA)	24
6.1.6	Other Sources.....	25
6.2	Assistance Not Considered Duplicative.....	25
6.2.1	Funds for a Different Purpose	25
6.2.2	Funds for the Same Purpose, but Different Eligible Use	26
6.3	Calculation of Duplication of Benefits	26
6.3.1	Duplication of Benefits Gap	27
6.4	Subrogation	28
7	Damage Assessment	28
7.1	Valuation of Needed Repairs	29
7.2	Valuation of Storm Damage Repaired prior to Application	29
7.3	Lead Based Paint Risk Assessment	30
8	Environmental Review	30
8.1	Tiered Environmental Review.....	31
9	Award	32
9.1	Award Caps.....	32
9.2	Reasonable Accommodation Requests.....	34
9.3	Repair.....	35
9.3.1	Not Suitable for Rehabilitation.....	35
9.3.2	Repair Scopes of Work	35
9.3.3	Reasonable Accommodations – Repair Award Type	36
9.4	Reconstruction	37
9.4.1	Size and New Unit Configuration.....	38
9.4.2	Reasonable Accommodations – Reconstruction Award Type.....	39
9.5	Mobile Home Unit (MHU) Replacement.....	40

9.5.1	Size and New Unit Configuration.....	40
9.5.2	Mobile Home Relocation	42
9.5.3	Reasonable Accommodations – Mobile Home Replacement Award Type.....	42
10	Pre-Construction.....	42
10.1	Contractor Selection and Assignment	43
10.2	Survey and Design	43
10.3	Cost Estimate	43
10.4	Pre-Construction Meeting.....	44
10.5	Permitting and Code Compliance	45
11	Construction	45
11.1	Green and Resilient Building Standards	45
11.2	Elevation Standards.....	46
11.3	Eligible Construction Activities	46
11.3.1	Exacerbated Damages.....	48
11.4	Construction Warranty.....	49
11.5	Construction Progress Inspections	49
11.5.1	Repair Award Type Inspections	49
11.5.2	Reconstruction Award Type Inspections.....	50
11.5.3	MHU Replacement Award Type Inspections.....	51
11.6	Change Orders.....	52
12	Applicant Responsibilities	52
12.1	Flood Insurance.....	52
12.1.1	Prohibition of Assistance for Lack of Flood Insurance Coverage.....	53
12.2	Applicant Cooperation with the Program.....	53
12.3	Applicant Responsiveness.....	54
12.4	Temporary Relocation During Construction Activities.....	54
12.5	Applicant Responsibilities During Construction	55
12.6	Compliance Period	56
12.6.1	Owner-Applicant Compliance Period.....	56
12.6.2	Landlord-Applicant Compliance Period.....	57
12.7	Recapture	58
13	Voluntary Withdrawal	59
14	Fraud, Waste and Abuse	59
14.1	Reporting Fraud	59
15	Complaints.....	60

16	Appeals	60
17	Exceptions to Program Policies	62
18	Uniform Relocation Act (URA).....	62
19	ADECA Administrative Policies	62
20	Closeout.....	62
	Appendix A – Definitions.....	64
	Appendix B: Uniform Relocation Act (URA) Policies	67
1	Overview	67
2	Waivers and Alternate Requirements.....	67
2.1	One-for-One Replacement	67
2.2	Section 104(d) Relocation Assistance.....	68
2.3	URA Replacement Payments for Tenants.....	68
2.4	Displacement Due to a Major Disaster.....	68
3	General Relocation Requirements.....	69
3.1	URA Notifications	69
3.1.1	General Information Notice (GIN).....	69
3.1.2	Notice of Non-Displacement – No Relocation Required	70
3.1.3	Notice of Non-Displacement – Temporary Relocation Required	70
3.1.4	Notice of Eligibility – Temporary Relocation	70
3.1.5	Thirty (30) Day Notice	70
3.2	Temporary Relocation.....	71
3.2.1	Eligible Expenses	71
3.2.2	Ineligible Expenses	72
3.3	Relocation Duration and Return Home	72
4	URA Appeals	73

Version Policy

Version history is tracked in the Version History Table (page i), with notes regarding version changes. Dates of each publication are also tracked in this table. Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

Policy Change Control

Policy clarifications, additions, or deletions may be needed during the course of the program to more precisely define the rules by which the Program will operate. Policy decisions will be documented and will result in the revision of the document in question. Unless otherwise noted, policy revisions are applied prospectively, made effective on the date of document approval

1 Introduction

This document serves as the program guidelines for the State of Alabama's disaster recovery housing rehabilitation and reconstruction program known as the Home Recovery Alabama Program (HRAP). These guidelines were developed to serve as a basis for the State's housing program and to provide guidance on program implementation that follows HUD standards and best practices. This document may also serve as a reference for property owners, applicants, and other interested parties who want to understand how the program operates. Note that this program guideline is only intended to address the Home Recovery Alabama Program (HRAP). Each of the other recovery programs outlined in the Alabama Action Plan for Disaster Recovery ("Action Plan") is governed by its own Program Guidelines document.

In 2022, the State of Alabama was awarded a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the US Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by Hurricane Sally and/or Hurricane Zeta in 2020. Federal Register Vol. 87, No. 23 (87 FR 6364) and Federal Register Vol. 87, No. 100 (87 FR 31636) allocated a combined total of \$501,252,000 in disaster recovery funds to the State of Alabama. The CDBG-DR funds allotted to Alabama have been allocated to housing, economic revitalization, and infrastructure programs. These funds will be administered through the Alabama Department of Economic and Community Affairs (ADECA). ADECA is the agency responsible and accountable to HUD for the administration of CDBG-DR funding. ADECA has allocated \$280 million in CDBG-DR funding for the Home Recovery Alabama Program (HRAP) which will serve owner-occupied and/or rental properties.

The unmet needs assessment included in the Action Plan demonstrated significant unmet need related to single family home repair, reconstruction, or replacement, for both owner- and renter-occupied properties throughout the counties impacted by Hurricanes Sally and/or Zeta in 2020. The total budget for HRAP is \$280 million. Of the \$280 million HRAP budget, \$238,000,000 is set aside to serve owner-occupied properties and \$42 million is dedicated to serve rental properties. These HRAP budgets were determined based on information gathered during the unmet needs assessment, as outlined in the Action Plan. According to the unmet needs analysis, there was a 15% difference between renters who applied for assistance and those who received assistance. As such, HRAP has designated 15% of the total HRAP budget or \$42 million to address the difference between renters who applied for assistance and those that received assistance, and to address the needs of survivors who may not have applied. This set aside will serve to rehabilitate and increase affordable rental housing stock across impacted areas.

2 Program Overview

The Home Recovery Alabama Program (HRAP) provides housing assistance to eligible single-family owner/occupant applicants (Owner-Applicants) and owners of single-family rental properties (Landlord-Applicants) affected by Hurricane Sally in September 2020 and/or Hurricane Zeta in October 2020 ("qualifying storms"). HRAP assists property owners by providing funding to repair, reconstruct, or replace single family homes that suffered damage from one or both of the qualifying storms.

HRAP is centrally administered by the Alabama Department of Economic and Community Affairs (ADECA) and serves low- to moderate-income (LMI) households impacted by the qualifying storms in nine (9) designated HUD- and State- Most Impacted and Distressed (MID) counties, which include: Mobile, Clarke, Baldwin, Escambia, Dallas, Marengo, Wilcox, Perry, and Washington counties.

ADECA has dedicated 85% of available HRAP funds to serve owner-occupied households; and 15% of available HRAP funds to serve single-family rental properties. Due to funding limitations and other factors, HRAP cannot guarantee assistance to all interested property owners. However, the program endeavors to serve as many Alabamians as it can with available funds, and prioritize assistance for vulnerable owner-occupied households.

HRAP has identified “vulnerable owner-occupied households” as those with one or more of the following characteristics: (i) households with member(s) aged 65 or older; (ii) households which include minor children (aged 17 or younger); or (iii) households with member(s) with disabilities. Please see the Program Priority section for more information on how priority is assigned.

Applicants who meet the eligibility and other program requirements explained in the program guidelines may be awarded funds to repair, reconstruct, or replace their storm-damaged property in place. HRAP funds will not be distributed to homeowners directly, instead funds will be distributed to program-selected general contractors and used to pay for the cost of construction activities. Eligible property types may include:

- Stick-built homes,
- Mobile home units (MHU),
- Modular homes,
- Other single-family residence types

2.1 Purpose and Objective of HRAP

The purpose of the Home Recovery Alabama Program is to assist the most vulnerable and impacted households in Alabama's nine (9) MID counties and address the housing needs identified in the unmet needs assessment. HRAP's primary objective is to provide decent, safe, and sanitary housing to eligible applicants.

This program is designed to ensure that the housing needs of extremely-low, very-low, low- and moderate-income households, protected classes, and vulnerable populations are addressed to the greatest extent feasible. To this end, the program will address disaster-related damages, and unrelated improvements to bring properties up to decent, safe, and sanitary conditions, if needed. While HRAP does not endeavor to replace homes in a “like-for-like” manner, it will incorporate mitigation, green building, and energy efficiency measures, to make assisted homes more resilient in the face of future disasters.

2.2 National Objective

All activities funded through HRAP will meet the HUD National Objective of providing benefit to Low- and Moderate Income (LMI) persons. To ensure that the program is in compliance with HUD's National Objective to benefit low- and moderate-income persons, 100% of owner/occupant applicant households served by HRAP must qualify as LMI with a total household annual gross income that does not exceed 80% of Area Median Income (AMI), adjusted for family size, as published annually by HUD. All Landlord-Applicants must agree to lease the HRAP-assisted property at affordable rates for a period of five (5) years following receipt of program assistance, thus benefitting the LMI renters who occupy the HRAP-assisted property.

2.3 Eligible Counties

To be eligible, a property must be located in HUD- or State-identified Most Impacted and Distressed (MID) county. Landlord-Applicants need not reside in one of the eligible counties to be eligible to receive assistance, but the storm damaged property must be located in one of the eligible counties.

Eligible counties as shown below in the table below.

County	HUD or State MID
Mobile	HUD MID
Clarke	HUD MID
Escambia	HUD MID
Baldwin	HUD MID
Dallas	State MID
Marengo	State MID
Perry,	State MID
Wilcox	State MID
Washington	State MID

Table 1: HUD and State Designated Most Impacted and Distressed (MID) Counties

2.4 Award Caps

The maximum award granted to repair any one structure is \$50,000 and the maximum award granted to reconstruct, or replace any one structure is \$350,000.

- Stick-built properties qualify for a repair award if the estimated cost to repair the structure is less than \$50,000 or 50% of the pre-storm assessed value of the property, whichever is lesser.
- Stick-built properties qualify for a reconstruction award if the estimated cost to repair the structure is equal to or greater than \$50,000 or 50% of the pre-storm assessed value of the property, whichever is lesser.
- Mobile Home Units (MHU) qualify for repair if the estimated cost to repair the unit is less than \$15,000 and the unit is fewer than five (5) years old.
- Mobile Home Units qualify for replacement if the estimated cost to repair the unit is greater than or equal to \$15,000 or the unit is greater than or equal to five (5) years old.

3 Intake Application

Applications will be accepted by HRAP for six (6) months from the first date of application intake or until 3,000 applications are received, whichever comes first¹. ADECA may adjust the intake period at its discretion to accommodate program needs. Only one (1) rental application and one (1) owner-occupied application per applicant will be considered. Landlord-Applicants may only submit for one (1) rental property structure. The rental property structure may be a multi-unit structure such as a duplex. Owner-Applicants may only submit an application for their primary residence. Applicants who may qualify as both Owner-Applicants and Landlord-Applicants may submit one (1) application for each type of assistance offered.

Single-family property owner-occupants and rental property owners who are interested in assistance may apply for the Home Repair Alabama Program (HRAP) via the following methods.

- Complete an application online at www.homerecoveryAL.com.
- Visit any HRAP Intake Center at the addresses below. All intake centers are open from 8AM to 5PM, Monday through Friday².

Mobile
1110 Montlimar Drive, Suite 299
Mobile, AL 36609

Foley
200 East Laurel Ave (Hwy 98)
Foley, AL 36535

Jackson
1455 College Ave.
Jackson, AL 36545

Selma
124 Broad Street
Selma, AL 36701

- Download the “Alabama Home Recovery” mobile app from the Google Play Store or the Apple App Store and follow the instructions provided, or
- Call 251-265-7958 to be connected to a Case Manager

Applicants will be required to complete an HRAP intake application and provide supporting documents required for eligibility review, income verification, and duplication of benefits review. All documentation submitted by the applicant must be valid at the time of submission. The application process will require each applicant to authorize HRAP to obtain 3rd-party data by signing a consent/release form. Case Managers will collect documents needed to determine eligibility and which program benefits the applicant may be eligible to receive³.

¹ The program does not anticipate serving 3,000 applicants. HRAP will serve as many applicants as possible with the allotted budget.

² Please note that State-recognized holidays may impact these hours.

³ A complete list of required documentation can be found in the Eligibility Requirements section of this manual.

Case Managers will be available at the HRAP intake centers, by phone, and via email to assist the applicant through the intake process and to answer questions as needed. Each applicant will be assigned a dedicated Case Manager. Each Case Manager has a direct email and phone line at which he/she can be reached. Applicants are provided direct contact information for the Case Manager assigned to the application. Alternatively, the applicant may contact a program representative by using the general contact information outlined in the bullets above.

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information regarding their applications and the program. Methods of communication with the Program include, but are not limited to:

- Home Recovery Alabama Program website: www.homerecoveryAL.com
- Email: info@homerecoveryAL.com
- Telephone at **251-265-7958**; and
- Mail correspondence.

3.1 Applicant Identification

All applicants and household members of owner-occupant applicants aged 18 or older will be required to submit a valid photo identification. Expired photo identification will not be accepted. Forms of identification accepted by HRAP are:

- Government Issued Photo Identification (Federal or State issued);
- Driver's License;
- Passport;
- Military ID Card; or
- Certificate of Naturalization or Permanent Resident Card.

Household member under the age of eighteen (18) must also submit proof of age and identity. Birth certificates must be submitted for all household members seventeen (17) and younger. If an applicant is unable to produce a birth certificate for a minor child, other documents may be considered on a case-by-case basis.

3.1.1 Applicant Designees

Applicants may choose to designate other individuals to act on their behalf or to receive information about the application from HRAP. Applicants may designate a Power of Attorney, Co-Applicant, or Communication Designee, or any combination thereof, at the sole discretion of the applicant. The requirements for and powers of each designated representative type vary, and are outlined below.

- **Power of Attorney:** A Power of Attorney is someone who is legally authorized to act on behalf of the applicant. The powers afforded to a legally authorized Power of Attorney vary, based on the duly executed Power of Attorney document. HRAP will not aid applicants in designating or securing a Power of Attorney, but will recognize the powers of a legal Power of Attorney as outlined in a Power of Attorney document submitted by the applicant.
- **Co-Applicant:** A Co-Applicant must be an adult, and co-owner of the damaged property. For Owner-Applicants, a Co-Applicant must also be a household member at the damaged property. Co-Applicants will have the same authority over the HRAP application as the Applicant. If a Co-

Applicant is designated by the Applicant, Co-Applicants must sign all program documents with the Applicant. The Co-Applicant will be granted decision-making authority over the HRAP application. Applicants with joint ownership of a property must submit a Co-Owner Consent form, signed by all co-owners, which gives each co-owner's consent for HRAP to affect the damaged property up to demolishing and reconstructing the property, if the applicant qualifies to receive assistance. However, Applicants are not required to designate a Co-Applicant, regardless of whether or not the damaged property is owned jointly.

- **Communication Designee:** A communication designee may be any adult person the applicant wishes to designate as an authorized person to receive information about the Applicant's HRAP application. HRAP shall be authorized to share information with the communication designee, but the Communication Designee is not authorized to make any decisions regarding the HRAP application or affect the HRAP application on the applicant's behalf.

Any of the aforementioned persons, if duly appointed by the applicant, may serve as the applicant's representative in attendance of program inspections, should the applicant be unable or unwilling to attend. However, only a Power of Attorney duly authorized to do so may sign documents, make agreements or decisions, or otherwise act unilaterally on behalf of an applicant.

3.2 Required Applicant Certifications

As part of the HRAP application process, each applicant must sign an Acknowledgements and Consent statement. The Acknowledgements and Consent statement includes the following acknowledgements and authorizations. Authorizations and Certifications vary depending on whether the applicant is an owner-occupant applicant or a landlord-applicant. The table below outlines the required certifications, a description of the content of the certification, and which applicant type(s) must sign the certification.

Certification	General Description	Required from Owner-Occupant Applicant or Landlord-Applicant
Release of Information	Authorization from the applicant to share and receive personal information from third parties in connection with HRAP and for purposes of progressing his/her case through HRAP	Both
Right of Entry	Authorization from the applicant for the program to access the damaged property throughout the life of the application	Both
Certification of Truthfulness	Applicant affirmation that all information provided in the application is accurate	Both
Subrogation Agreement	Applicant affirmation that any funds received for the same purpose as funds provided under HRAP after provision of assistance through HRAP must be returned to ADECA	Both

Certification	General Description	Required from Owner-Occupant Applicant or Landlord-Applicant
Construction Stop Work	Applicant agreement to stop all construction work at the damaged property and take no choice limiting actions after date of program application.	Both
Uniform Relocation Act Compliance	Applicant agreement to comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)	Both
Certification of Vacancy	Applicant certification that the subject property is vacant at the time of application and that no tenants were evicted for the sole purpose of making the property vacant at time of application	Landlord-Applicant
Conflict of Interest Disclosure	Applicant's report of relationship with any public servant, employee, agent, consultant, officer, or elected official or appointed official of ADECA, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program (collectively, "Public Servant") and the nature of said relationship. Applicants who do not have a relationship with Public Servants must report that no such relationship exists.	Both

Table 2: Applicant Certifications Collected at Intake

3.3 Order of Assistance (Priority)

In order to assist the most vulnerable households in Alabama, HRAP will prioritize review of owner-occupant applicants based on the following factors:

1. **Priority 1:** Applicants with **both**:
 - a. Age-dependent household member(s)⁴ **AND**
 - b. Household member(s) with a documented disability
2. **Priority 2:** Applicants with **either**:
 - a. Age-dependent household member(s) **OR**
 - b. Household member(s) with a documented disability
3. **Priority 3:** Applicants with **neither**:
 - a. Age-dependent household member(s) **OR**

⁴ For the purposes of program priorities, age-dependent households are defined as households including members greater than or equal to 65 years old and/or less than or equal to 17 years old.

b. Household member(s) with a documented disability

To be considered as a household with disabled household member(s), a Verification of Disability Form must be completed by the applicant. The Verification of Disability form requires that the applicant document the disability via one of the following acceptable methods:

1. Visible disability such as a wheelchair bound applicant or an applicant utilizing the assistance of a walker can be verified by an HRAP representative;
2. Receipt of Federal Disability Benefits as documented by applicant provided Social Security Disability Benefits letter/documentation or documented by the Veteran's Administration (VA);
3. Certification from medical professional;
4. Presentation of a government issued disability placard; or
5. Alabama Homestead Exemption which shows the applicant is disabled.

For purposes of assigning priority for age-dependent household member(s), age will be determined at the point when an application is submitted. Applicants and their households cannot "age into" or "age out of" priority. For example, if a household qualifies for priority because a household member is age seventeen (17) at the time the application is submitted, the priority designation will be honored throughout the life of the program. Priority does not expire when the household member turns eighteen (18). Similarly, if a household member was under sixty-five (65) years old at the time of application, but turns sixty-five (65) prior to the close of the application, priority will not be assigned at the time of the household member's sixty-fifth (65th) birthday.

Applications submitted by Landlord-Applicants will be reviewed in the order which they are received.

4 Eligibility Requirements

The Home Recovery Alabama Program (HRAP) will offer pathways to assist both owner-occupied and rental housing units. Single-family owner-occupants and rental property owners who owned their properties during the time of the qualifying storms may be eligible for assistance. Each applicant will be screened for eligibility to ensure compliance with HRAP requirements.

Applicants will be required to provide complete and accurate information regarding their household composition, household income, and other eligibility criteria. Failure to disclose accurate and complete information (including failure to provide necessary documentation) may result in the applicant being deemed ineligible for assistance.

If an Applicant is found to have submitted inaccurate and/or incomplete information in order to appear eligible for HRAP, then they may be required to make full restitution to the State of Alabama, including administrative fees, construction costs, and other costs.

Below are the threshold requirements for owner-occupant applicants (Owner-Applicants) and rental property owners (Landlord-Applicants) to be eligible for assistance. Threshold requirements are those that will either allow an applicant to continue to move forward in the program or result in disqualification. Please note that being deemed eligible does not guarantee that assistance will be provided, as HRAP is subject to limited funding.

All applicants to HRAP must demonstrate compliance with all eligibility criteria. Some eligibility criteria are the same for Owner-Applicants and Landlord-Applicants, whereas some differ based on the applicant type.

Individual **Owner-Applicants** applying to HRAP for assistance must meet all of the following criteria:

- Applicant must have owned the damaged property at the time of Hurricane Sally or Zeta and must still own the property; if the property is part of a multi-unit structure, such as a duplex, the applicant must own the entire structure;
- The applicant must have occupied the home as a primary residence at the time of the qualifying storms;
- The storm-damaged property must be located within one of the HUD- or state-identified Most Impacted and Distressed (MID) areas;
- The storm-damaged property must have unrepaired damage as a result of Hurricane Sally or Zeta;
- The storm-damaged property must be an eligible structure type;
- The applicant must be current on their property taxes or on a payment plan in good standing;
- If there is a mortgage on the property, the mortgage must be in good standing; and
- The Applicant's household must qualify as low- to moderate-income, with a combined annual household income equal to or less than 80% of the Area Median Income, adjusted for family size.

Individual **Landlord-Applicants** applying to HRAP for assistance must meet all of the following criteria:

- Applicant must not be in bankruptcy or active foreclosure;
- The owner must have owned the home at the time of the qualifying disaster and at time of application. If the property is part of a multi-unit structure, such as a duplex, the applicant must own the entire structure;
- The home must be in a HUD- or State-identified MID area;
- Property must not be located in a FEMA-designated 100-year floodplain;
- The home must have unrepaired damaged as a result of Hurricane Sally or Zeta;
- Property must be an eligible structure type;
- The applicant must be current on their property taxes or on a payment plan in good standing;
- If the property has a mortgage, mortgage must be in good standing; and
- Properties must be unoccupied at the time of application.

Eligibility will be determined by the program based on a combination of information and documents supplied by the applicant and information verified independently by the program.

The following table includes eligibility criteria for both Owner-Applicants and Landlord-Applicants, along with documents required to be submitted by the applicant for each criterion. Eligibility criteria that will be independently verified by the program are noted as such.

Eligibility Criterion	Document(s) Required	Applies to Owner-Applicant or Landlord-Applicant
<p>Must have owned the damaged property at the time of Hurricane Sally or Zeta. Applicant must still own the property to receive assistance.</p>	<p>One (1) of the following:</p> <ul style="list-style-type: none"> • Deed • Mortgage statement • Title (for mobile homes only) • Probated will • Court order or judgement granting ownership of the property • Other documents may be considered on a case-by case basis 	<p>Both</p>
<p>Must have occupied the home as a primary residence at the time of the qualifying storm(s)</p>	<p>• Homestead exemption at the storm-damaged property address in 2020, which was the year of the qualifying storms</p> <p>OR 2 of the following:</p> <ul style="list-style-type: none"> • FEMA IA award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta; • SBA Disaster Home Loan award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta; • Driver's license or state-issued ID card showing the damaged property address; issued prior to the date of the hurricane(s) and expiring after; • Utility bills addressed to applicant at damaged property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricanes time period); • Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the disaster; • Insurance documentation indicating primary residence in 2020, such as a homeowner's endorsement; • Employer's statements, including pay stubs and similar employment documents (must be dated in the month preceding or month of the disaster) 	<p>Owner-Applicant</p>

Eligibility Criterion	Document(s) Required	Applies to Owner-Applicant or Landlord-Applicant
	<ul style="list-style-type: none"> Other documents may be considered on a case-by-case basis 	
Property is located in a HUD- or State-Identified MID County	Verified by the program using storm-damaged property address and GIS mapping if needed	Both
Property has unrepaired damage from Hurricane Sally and/or Zeta	<p>Verified by the program via a Damage Assessment; OR</p> <p>If it is impossible to verify storm damage via a program damage assessment, such as in cases where the storm damaged property has been demolished, the applicant may be required to provide proof of storm damage, which may include:</p> <ul style="list-style-type: none"> FEMA IA award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta; SBA Disaster Home Loan award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta; Insurance claim noting damages at the damaged property address caused by Hurricane Sally and/or Zeta; Date-stamped, color photos of storm damage at the damaged property address; or Other documents may be considered on a case-by-case basis 	Both

Eligibility Criterion	Document(s) Required	Applies to Owner-Applicant or Landlord-Applicant
The storm-damaged property must be an eligible structure type	<p>Verified by the program via a Damage Assessment;</p> <p>OR</p> <p>If it is impossible to verify structure type via a program damage assessment, such as in cases where the storm damaged property has been demolished, the applicant may be required to provide proof of storm damage, which may include:</p> <ul style="list-style-type: none"> • Pre-storm information on structure type from the property appraiser's office; • Date-stamped, color photos of the damaged property address; or • Other document considered on a case-by-case basis 	Both
Property Taxes Current	<ul style="list-style-type: none"> • Proof from the tax assessor of property taxes paid in full at the time of application; or • Proof of a payment plan in good standing at the time of application 	Both
If there is a mortgage on the property, the mortgage is in good standing	<ul style="list-style-type: none"> • Most recent mortgage statement, at time of application, showing no arrearages 	Both
Household is low- to moderate-income⁵	<p>Proof of income is required for the applicant and all household members aged 18 or older. Proof of income required varies by the type of income and individual earnings. Required documents to demonstrate income for the most common sources of income are as follows:</p> <ul style="list-style-type: none"> • Most recent year tax return 	Owner-Applicant ⁶

⁵ For further information on how household income is calculated, please see Household Income Verification Section of this guideline.

⁶ Assisted Landlord-Applicants must agree to rent the assisted property at affordable rent rates to low- to moderate-income (LMI) households for a period of five (5) years following receipt of assistance. Prior to closeout of a Landlord-Application, the Landlord must demonstrate that the assisted unit was leased to an LMI household. When tenant income is verified for assisted properties of Landlord Applicants, income will be verified in the same manner as it is verified for Owner-Applicants at eligibility review.

Eligibility Criterion	Document(s) Required	Applies to Owner-Applicant or Landlord-Applicant
	<p>OR, if tax return is not available:</p> <ul style="list-style-type: none"> • Wages: Three (3) recent paystubs dated within the past three (3) months, • Retirement/Social Security: <ul style="list-style-type: none"> ○ Past three (3) Months Bank Statements (Social Security Benefits & Pension only), ○ Current Social Security Benefits letter (including benefits paid to minors), ○ Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or ○ Current Annuity Payment letter (if applicable), or prior year 1099 form; • Self-Employment Income: Most recent tax return (1040 or 1040A), W-2 Forms; and/or Current year profit and loss statement; • Rental Income: Current lease agreements • Unemployment Benefits: Current benefit letter with gross benefit amount; • Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation; • Taxable Interest and Dividends (including amounts received by, or on behalf of minors); • No Income: Adult household members who do not earn an income will be required to submit a Certification of No Income. 	
Applicant must not be in bankruptcy or foreclosure	<ul style="list-style-type: none"> • Current credit report (dated within one (1) month of application date) 	Landlord-Applicant
Property must not be located in a FEMA-designated 100-year floodplain	<ul style="list-style-type: none"> • Verified by the program using FEMA Flood Insurance Rate Maps (FIRM) 	Landlord-Applicant
Properties must be unoccupied at the time of application	<ul style="list-style-type: none"> • Signed attestation of vacant property 	Landlord-Applicant

Table 3: Accepted method(s) of verification of eligibility criteria for Owner-Applicants and Landlord Applicants

Each eligibility criterion is further outlined in the sections that follow. Each section begins with an indication of whether the criterion discussed applies to Owner-Applicants, Landlord-Applicants, or both Owner- and Landlord-Applicants.

4.1 Ownership (Applies to Owner-Applicants and Landlord-Applicants)

To qualify for HRAP, applicants must own the damaged property. Ownership requirements are the same for both Owner-Applicants and Landlord-Applicants. Applicants must be able to demonstrate that they owned the property at the time of the qualifying storms.

Additionally, applicants must agree not to sell or transfer the property, or any interest in it, whether voluntarily or involuntarily until after the completion of the program compliance period. Applicants must notify HRAP before any transfer of the property if that transfer occurs before the end of the compliance period. More information about the program compliance period can be found in section [12.6: Compliance Period](#) of this document. Below is a brief description of the compliance periods for owner-occupant applicants and landlord-applicants:

- Owner-Applicants assisted for their primary residence must agree to own and use the program-assisted home as their primary residence for a **period of three (3) years after completion of construction**.
- Landlord-Applicants assisted for a rental property must agree to own the program-assisted home and rent the home at affordable rents to low- to moderate-income tenants for a **period of five (5) years after completion of construction**.

4.1.1 MHU Ownership

Applicants applying for assistance for a mobile home unit (MHU) must establish ownership of the MHU at the time of the qualifying storms. While MHU owners do not need to demonstrate proof of land ownership to be eligible, MHU owners must demonstrate that they have legal right to occupy the land and that the landowner consents to HRAP demolishing and replacing the unit or repairing the unit on the owner's land, should the applicant qualify to receive assistance.

4.1.1.1 Documents Required

Proof of MHU ownership can be established with the following documents:

- Property Title;
- Bill of Sale showing applicant name as owner;
- Title from the county land records showing manufactured home ownership; or
- State issued Certificate showing the name of the applicant as owner.

If the applicant was under a Lease Purchase Agreement for the property and/or MHU, the contract must be satisfied and a warranty deed granting the property to the applicant must be recorded in the property records. The original contract and subsequent Warranty deed are required. HRAP may consider other forms of MHU ownership on a case-by-case basis.

4.1.2 Stick-Built Properties Ownership

Applicants applying for assistance for a stick-built home must establish ownership of the property as of September and/or October 2020.

4.1.2.1 Documents Required

Proof of ownership can be established with the following documents:

- Deed;
- Mortgage statement;
- Probated will;
- Court order or judgment granting ownership of the property; or
- Other documents may be considered on a case-by case basis

4.1.2.1.1 Trust

If any percentage of the damaged property was transferred to the applicant through a family trust by the prior owner of the property, a copy of the Trust document that has been recorded in the property records will satisfy the ownership requirement.

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

- Applicants who lost ownership of their home due to foreclosure or properties with an outstanding suit;
- Properties located where federal assistance is not permitted. Properties must be in compliance with Environmental Code 24 CFR Part 58.

4.1.3 Title Clearance Activities

Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in this guideline due to heirship or probate issues may be afforded up to one (1) year from the date of application to clear title defects related to probate and/or heirship and provide the program with an acceptable document to demonstrate ownership. If an applicant cannot sufficiently resolve ownership issues within **one (1) year of application submission**, the case will be deemed ineligible for failure to sufficiently prove ownership of the storm-damaged property.

4.1.4 Death of an Owner-Applicant

If an Owner-Applicant passes away after an HRAP application is submitted, but before construction begins, the Owner-Applicant's heir may be deemed eligible to receive assistance through HRAP if:

- The heir is a household member listed on the application; and
- The heir can demonstrate current ownership of the storm damaged property via one of the accepted methods outlined in this section; and
- The heir meets all other eligibility requirements.

If no eligible household member-heir is identified, the application will be closed. If an Owner-Occupant passes away after program construction has begun, the program will complete construction of the property.

4.2 Primary Residence (Applies to Owner-Applicants Only)

HRAP Owner-Applicants must provide documentation that establishes that they occupied the damaged property as their primary residence as of the dates of the qualifying disasters in September and/or October 2020.

4.2.1 Documents Required

Documents provided to demonstrate primary residence should include the applicant or co-applicant's name, appropriate date demonstrating residence at the time of the hurricane(s), and damaged property address. Acceptable documents include:

- Homestead exemption at the storm-damaged property address in 2020, which was the year of the qualifying storms

OR 2 of the following:

- FEMA IA award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta;
- SBA Disaster Home Loan award letter for damaged property address for damages caused by Hurricane Sally and/or Zeta;
- Driver's license or state-issued ID card showing the damaged property address; issued prior to the date of the hurricane(s) and expiring after;
- Utility bills addressed to applicant at damaged property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricanes time period);
- Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the disaster;
- Insurance documentation indicating primary residence in the year 2020, such as a homeowner's endorsement;
- Employer's statements, including pay stubs and similar employment documents dated in the month preceding or month of the disaster
- Other documents may be considered on a case-by-case basis

The Program will review and assess all available documentation together and determine primary residence based on the applicant's demonstration of consistency across the variety of documentation provided. In the event that inconsistencies in documentation are found, the application may not move forward in the eligibility process until the inconsistencies are resolved by the applicant. All applicants to the Program bear the burden of proof for providing consistent evidence to prove primary residency at the time of the disaster.

4.3 Property Must be Located in Eligible County (Applies to Owner-Applicants and Landlord-Applicants)

To be eligible, a property must be located in a HUD- or State-identified Most Impacted and Distressed (MID) county. Landlord-Applicants need not reside in one of the eligible counties to be eligible to receive assistance, but the storm damaged property must be located in one of the eligible counties. The program will verify the property location using the property address and GIS coordinates/mapping if needed.

Eligible counties are shown below in the table below.

County	HUD or State MID
Mobile	HUD MID
Clarke	HUD MID
Escambia	HUD MID
Baldwin	HUD MID
Dallas	State MID
Marengo	State MID
Perry,	State MID
Wilcox	State MID
Washington	State MID

Table 4: HUD and State Designated Most Impacted and Distressed (MID) Counties

4.4 Property Has Unrepaired Storm Damage (Applies to Owner-Applicants and Landlord Applicants)

To be eligible for assistance, the subject property must have unrepaired damages resulting from Hurricane Sally and/or Zeta. The program will attempt to verify storm damage via a property damage assessment. In the event a damage assessment cannot demonstrate storm damage, such as in cases where the damaged structure is demolished at the time of inspection, the applicant is required to submit documentation to demonstrate the property sustained damage as a result of Hurricane Sally and/or Zeta.

4.5 Eligible Structure Type (Applies to Owner-Applicants and Landlord Applicants)

To be eligible for HRAP assistance, the property must be an eligible structure type. Eligible structure types are the same for both owner-occupant applicants and landlord applicants. Eligible structure types include:

- Single-family (1-4 unit) stick-built homes;
- Mobile Home Units (MHU)
- Duplexes, Triplexes, Quadplexes⁷

4.5.1 Ineligible Structures

The following structure types are ineligible for HRAP assistance:

- Garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for repair but may be eligible for demolition only, as part of an eligible project, if deemed a safety

⁷ For a multi-unit structure to be eligible, the applicant must own all units within the structure.

hazard or in the path of the proposed construction activities. Garages, sheds, and outbuildings will not be addressed as stand-alone activities. Improvements must be permanently attached to the main housing structure;

- Recreational Vehicles and camper trailers used as a residence are not eligible for the program;
- Houseboats used as a residence are not eligible for the program;
- Second homes;
- Seasonal, short-term, and vacation rental properties;
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within a Coastal Barrier Resources System unit;
- Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or in foreclosure;
- Properties located on sites with extraordinary site conditions that are determined to be not feasible for demolition and reconstruction or replacement. Extraordinary site conditions may include but are not limited to properties with environmental concerns, properties where local building codes prohibits program scopes of work, or properties located in a floodway; or
- Rental properties located in a FEMA-designated 100-year floodplain.

4.6 Property Taxes Current (Applies to Owner-Applicants and Landlord Applicants)

Applicants must submit proof that property taxes on the storm-damaged property are paid in full or that the property taxes are subject to a payment plan in good standing.

4.7 Mortgage in Good Standing (Applies to Owner-Applicants and Landlord Applicants)

If the subject property has a mortgage, the mortgage must be in good standing, with no arrearages. Applicants who have a mortgage on the subject property must submit proof of a mortgage in good standing at the time of application. Applicants who have previously fallen into arrears on a mortgage may be eligible, if the applicant can demonstrate the mortgage is currently in good standing or that a payment plan has been agreed to by the lender and the payment plan is in good standing.

4.8 Household Must be Low- to Moderate Income (LMI) (Applies to Owner-Applicants Only)

In order to meet the income eligibility requirement for HRAP, Owner-Applicants must be LMI with a total household annual gross income that does not exceed 80% AMI, adjusted for family size, as published annually by HUD. The Program will use the Internal Revenue Service (IRS) Form 1040 definition of income, as set forth in HUD regulations, for the purpose of determining Owner-Applicants' eligibility for the Home Recovery Alabama Program. The IRS Form 1040 method of calculating income is often referred to as the Adjusted Gross Income or AGI method.

All household members included in the AGI calculation, if required to file, must provide a copy of their previous year's filed tax return or tax return transcript, if available, for the AGI of the household to be calculated. The Program will allow the use of the previous tax year's tax return in determining annual income for each adult household member and no other documentation will be required. However, the applicant will certify there has not been any substantial changes in income since the previous year's tax return. If there has been significant changes to household income, the Program may require additional income documentation to calculate income.

Situations may occur where a household member may have had no obligation to file a return, has not yet filed it, or filed an extension. If any household member did not file a prior year income tax return, the household member is required to submit current documentation that reflects their current income. The following income documentation will be required for each household member only if the type of income is applicable and if a prior year income tax return is not available:

- **Wages:** Three (3) recent paystubs within the past three (3) months, W-2 Forms;
- **Retirement or Social Security:**
 - Past three (3) Monthly Bank Statements (Social Security Benefits & Pension only),
 - Current Social Security Benefits letter (including benefits paid to minors),
 - Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or
 - Current Annuity Payment letter (if applicable), or prior year 1099 form;
- **Self-Employment Income:** Most recent tax return (1040 or 1040A), W-2 Forms; and/or Current year profit and loss statement;
- **Rental Income:** Current lease agreements
- **Unemployment Benefits:** Current benefit letter with gross benefit amount;
- **Court Ordered Alimony/Spousal Maintenance:** Copy of court order documentation;
- **Taxable Interest and Dividends** (including amounts received by, or on behalf of minors);
- **No Income:** Adult household members who do not earn an income will be required to submit a Certification of No Income.

4.8.1.1 Household Size

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Household members are all persons (minors and adults) who are living in the damaged home. The test of meeting the low-to-moderate income objective is based on the total adjusted gross income of all the household members.

4.8.1.2 Income Calculation Methodology

Household income shall be calculated based on the adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes. HRAP will consider income of all household members, not just the applicant, to make a determination of annual household income.

HRAP will use the following rules to determine the income of household members to be included in the household income calculation:

- **Minors** - Earned income of minors, including foster children (household member under age 18) is not counted. Unearned income attributable to a minor is included in the household income calculation (Examples include payments from trusts, stocks, bonds, etc. if the payments are taxable at the Federal level).
- **Temporarily Absent Family Members** - The income of temporarily absent family members is counted in the annual income, regardless of the amount the absent member contributes to

the household. Temporarily absent family members are also counted as a member of the household when determining the household size.

- **Permanently Absent Family Members** - In situations where family members are permanently absent such as when a spouse is in a nursing home, the head of household has the choice of excluding the individual in the household composition, as well as any taxable income they receive. However, if the absent family member is included in the household composition, the taxable income must also be included in the total household income calculation.

In the event that one of the following special circumstances applies, the income of the referenced individuals will be excluded from the total household income calculation:

- Persons who are temporarily living with the applicant, including tenants
- Persons who are employed by the household as a live-in aide and/or are a child of that aide. Note: A live-in aide/caregiver that is related does not qualify. In such cases, their income will be included in the total household income calculation and the live-in aide, and any child of the aide will be included in the total household composition; and
- If an applicant is married and their spouse is absent from the household, the income of the absent spouse will not be included in the total household income if documentation of a separate residence for the absent spouse is provided.

4.9 No Bankruptcy or Foreclosure (Applies to Landlord-Applicants Only)

Landlord-Applicants must submit a current credit report from a nationally recognized credit reporting agency. Landlord-Applicants must not be in active foreclosure on any property, including but not limited to the subject property and must not be involved in bankruptcy proceedings, even bankruptcy proceedings not related to the subject property. Landlord-Applicants in foreclosure or bankruptcy of any kind are not eligible to receive assistance through HRAP.

4.10 Property Must not be in 100-Year Floodplain (Applies to Landlord Applicants Only)

In an effort to create affordable housing options in areas less susceptible to future disasters, properties of Landlord-Applicants must not be located in a 100-year floodplain. This eligibility requirement is intended to mitigate the impact of future disasters on low- to moderate-income renters by ensuring that rental properties assisted by HRAP are not located in known flood hazard areas.

4.11 Property Must be Vacant at Time of Application (Applies to Landlord Applicants Only)

A key goal of HRAP is to create decent, safe, and sanitary affordable housing throughout impacted areas. In an effort to bring new rental units to the market and to restore those rental units so severely damaged by the qualifying storms that they remain uninhabitable, properties of Landlord-Applicants must be vacant at the time of application. The program will verify this eligibility requirement via a certification signed under penalty of perjury by the Landlord-Applicant. **Landlord-Applicants are prohibited from evicting lawful tenants for the sole purpose of complying with this eligibility criterion.**

ADECA will not interfere in the Landlord-Applicants efforts to enforce legally agreed upon occupancy terms. However, Applicants must carefully document all potential and actual eviction proceedings as they occur.

Failure to adequately inform ADECA in advance and document the eviction may result in the loss of Program eligibility or funding if the eviction appears to have been undertaken in order to clear the property for construction or program eligibility. ADECA requests that all households in delinquency be given at least thirty (30) days to cure the issue before the Applicant proceeds to legal eviction.

5 Conflict of Interest

A conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of ADECA, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program (collectively, “Public Servant”) may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves or a member of their family 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 24XΦPΣεχ.570.489(η).

No public servant shall intervene, either directly or indirectly, in any matter in which they have a conflict of interest that may result in their benefit. No public servant shall intervene, directly or indirectly, in any matter in which any member of their family unit, relative, partner or housemate has a conflict of interest that may result in benefit for any of the abovementioned.

The above conflict of interest statement does not necessarily preclude ADECA or HRAP Program officials, their employees, agents and/or designees, or family members from receiving assistance from the Program. On a case-by-case basis, ADECA or HRAP Program officials, their employees, agents and/or designees, or family members may still be eligible to apply and to receive assistance from the Program if the applicant meets all Program eligibility criteria as stated in these guidelines and it is determined that a conflict of interest does not exist.

Applicants must disclose their relationship with any public servant(s) at the time of their application, if applicable. Any relationship reported between an applicant and public servant will be evaluated by HRAP to determine if said relationship constitutes a conflict of interest as outlined in HUD conflict of interest regulations, at 24 C.F.R. §570.611 and 24 C.F.R. §85.36, as well as applicable Alabama conflict of interest and ethics rules, Ala. Code §§ 13A-10-62; 36-25-7; 41-4-148. If it is determined that the relationship between the applicant and the public servant(s) constitutes a conflict of interest, the applicant may not receive benefit under HRAP.

6 Duplication of Benefits

Eligible applicants 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.

During the application process, the applicant must report any and all assistance received from other sources for the repair, replacement, or reconstruction of their storm-damaged property. Previous funds received and reported by the applicant are verified by HRAP during the duplication of benefits (DOB) review process. Not all previous assistance received constitutes a duplication of benefits.

To determine if a duplication of benefit exists, HRAP first considers the “total assistance” available to each applicant. Total assistance includes all reasonably identifiable financial assistance available to the applicant. Total assistance does not include personal assets such as money in a savings account or credit cards. After total assistance has been determined, HRAP subtracts non-duplicative assistance received. Non-duplicative assistance is: (i) assistance provided for a different purpose than HRAP funds; or (ii) assistance provided for the same purpose as HRAP funds that was expended for a different eligible use.

Duplication of benefits occurs when total assistance received by the applicant exceeds non-duplicative assistance received by the applicant. If a duplication of benefits occurs, the applicant’s HRAP award must be reduced by the amount of the DOB.

Available assistance and non-duplicative assistance are described in greater detail below.

6.1 Common Available Assistance

The following are sources of funding are commonly provided for structural damage and loss and are considered available assistance to the applicant, if the applicant received funding from any of these sources.

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 repair storm damage to the applicant’s home prior to application to HRAP may reduce the amount of available assistance considered 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 applicant awardees for the same purpose as the HRAP housing assistance award after the state has completed the repair, rehabilitation, or replacement of the homeowner’s housing units must be returned to ADECA.

6.1.1 FEMA Individual Assistance (IA)

FEMA IA assistance may have been provided to applicants for home repairs. In cases where applicants have received assistance for home repairs, such amount will be considered duplicative 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. If HRAP is unable to verify the FEMA IA amount through the FEMA database, HRAP will use the payment amount provided by the homeowner at the time of application.

If a homeowner provides documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, HRAP may use the documentation provided by the homeowner to adjust the FEMA IA payout amount.

6.1.2 FEMA National Flood Insurance Program (NFIP)

Any payments for loss to the dwelling due to the qualifying storms under NFIP insurance policies may be considered available assistance. Payments for contents or other expenses are not considered available assistance, as this is funding provided for a different purpose than funds provided by HRAP. HRAP will verify NFIP claim information using third party data provided by NFIP. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the NFIP database includes items not related to the structural loss, HRAP may consider 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.

6.1.3 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 considered available assistance if a property 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 HRAP is unable to determine the amount/or purpose of the ICC proceeds using documentation provided by the homeowner, the Program will seek additional information from other reliable sources including other government programs, including direct information from NFIP.

6.1.4 Private Insurance

All property, flood, casualty, landlord's, or other insurance settlement amounts for loss to dwellings are considered available assistance. Private insurance payments for contents or other expenses are not considered available assistance, as this is funding provided for a different purpose than funds provided by HRAP. All private insurance settlement amounts for loss to dwellings are considered available assistance for purposes of calculating DOB.

Insurance proceeds are determined and verified by HRAP by contacting the insurance company directly. If HRAP is unable to verify the private insurance proceeds through the insurance company, HRAP will use the claims payout amount provided by the homeowner.

As set forth in 84 FR 28836, "*applicants for CDBG-DR assistance are expected to seek insurance or other assistance to which they are legally entitled under existing policies and contracts*". Therefore,

applicants seeking funds under HRAP were/are expected to file a claim with private insurance if the damaged property was insured at the time of the storm. As such, the DOB Analyst will reach out to the applicant to collect insurance claim information from the applicant if:

- The applicant reported having insurance, but reported that he/she did not file a claim for disaster recovery assistance; or
- The applicant reported having a mortgage on the property but reported he/she did not have insurance at the time of the storm.

If an owner-applicant who had insurance or a mortgage (which indicates the property is insured) did not file a claim for the qualifying storm(s), the applicant will be required to file a claim and provide evidence of the insurance company's response regarding the claim. If the insurer approves the claim, the amount of funding approved by the insurance company will be considered in accordance with section 6 of the HRAP Program Guidelines. If the insurer indicates that the deadline to file a claim for the qualifying storm(s) has passed or that the applicant's claim is otherwise denied, HRAP may serve the owner-applicant, as the funds are no longer available to the applicant.

If a landlord-applicant who had insurance or a mortgage (which indicates the property is insured) did not file a claim for the qualifying storm(s), the landlord-applicant will be denied assistance by HRAP.

6.1.5 Small Business Administration (SBA)

Federal regulations deem approved SBA loans for repair and reconstruction to be available assistance 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 available assistance 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."*

The Program will collect SBA information provided by the Applicant through the application process. In addition, the Program may obtain a data feed from SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different assistance categories (e.g., real property, personal property, vehicles, etc.).

6.1.5.1 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. HRAP will attempt to verify declined loan amounts using third-party data from SBA. Declined loans must be documented through the SBA data feed in conjunction with written communication from the lender (SBA), for declined loans to be considered funding not available to the applicant.

6.1.5.2 Accepted but Undisbursed SBA Loan Amounts

Cancelled loans occur when the applicant (borrower) has entered a loan agreement, but 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, expiration of the term for which the loan was available for disbursement, or other reasons. The cancelled 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. Cancelled subsidized loan amounts are not considered funds available to the applicant, but are subject to further requirements below. Applicants may not take actions to reinstate the canceled loan or draw any additional undisbursed loan amounts.

- Cancelled 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).
- Cancelled loans that had a portion of the loan drawn, but the remainder cancelled 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 DOB.

6.1.6 Other Sources

Funding received for the same purpose of a Program award, such as funding provided by a non-profit entity or the US Army Corps of Engineers (**USACE**) to assist applicant with rebuilding their home must be reported by the applicant through the application process and must be accounted for and verified by the Program. In addition, the support documentation related to other duplicative funding sources must be provided by the applicant, verified by the Program, and applied as a duplication of benefits by the Program.

6.2 Assistance Not Considered Duplicative

Not all assistance received by an applicant is considered duplicative of assistance provided under HRAP for housing repair, replacement, or reconstruction. Previous assistance received that is considered non-duplicative will not be considered a duplication of benefit.

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 Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, HRAP may exclude for duplication of benefits purposes assistance that was: (1) provided for a different purpose; or (2) provided for the same purpose, but for a different, allowable use. Each of these categories is further described below.

6.2.1 Funds for a Different Purpose

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., “disaster relief/recovery”), and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB. 76 FR 71060 defines three (3) general categories for which homeowners generally receive assistance: (1) replacement housing; (2) repair assistance; or (3) interim (temporary housing). Of these three categories, the assistance provided by HRAP is generally considered to be repair assistance. Funding received for purposes different from the purpose of assistance offered under HRAP will be excluded for purposes of duplication of benefit determination.

6.2.1.1 Funds Not Available to the Applicant

Funds that are not available to an applicant may also be excluded from the final award calculation. Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a non-duplicative purpose.

For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility. Alternatively, if a disaster-affected homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for repair of the property, those proceeds must be considered as assistance for that purpose. A homeowner does not need to possess cash assistance to be considered as being in legal control over receiving benefits for a particular purpose.

6.2.2 Funds for the Same Purpose, but Different Eligible Use

Funds received for the same purpose as funds provided under HRAP, but that were used by the Applicant for a different allowable use may be excluded from the final award calculation. In some instances, funds provided for the same general purpose (e.g., rehabilitation of a home) as the CDBG-DR funds, may have been used by the applicant for a different allowable use. In these circumstances, if the Applicant can document that the funds received were used for a different, but eligible, use, then the funds are not duplicative. During the damage assessment, the program will conduct a Damage Repair Valuation (DRV), which quantifies a value assigned to repairs completed by the applicant prior to program application⁸. Eligible, verified repairs outlined in the DRV will be used to offset duplication of benefits as funds for the same general purpose (home repair), but different eligible use.

The Applicant may also provide documentation, such as receipts or paid invoices, demonstrating that funding was spent on a different eligible use. The Program will review documentation submitted on a case-by-case basis.

6.3 Calculation of Duplication of Benefits

The DOB Review is conducted in accordance with HUD's guidance as outlined in Federal Register / Volume 84, No. 119, published on June 20, 2019 (84 FR 28836)⁹.

The basic framework for DOB review is as follows:

- Determine all previous assistance received.
- Subtract all non-duplicative assistance

If the result of this is a positive number, the applicant has a duplication of benefit gap. Duplication of benefit must be deducted from the maximum award an applicant is qualified to receive under HRAP, in accordance with federal law. Because HRAP grants awards to eligible applicants in the form of home repair, reconstruction, or MHU replacement, with no funds being paid directly to the applicant, duplication of benefits must be resolved prior to award, either through a reduction in the amount of

⁸ The DRV is further described in the Damage Assessment section of this program guideline.

⁹ For full text of 84 FR 28866, please visit: <https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-13147.pdf>

benefit the homeowner will be provided by HRAP, known as a scope reduction, or by the applicant providing funds to HRAP in the amount of the DOB gap. Scope reduction and applicant payment may be used in combination to reduce the DOB gap to \$0.

6.3.1 Duplication of Benefits Gap

A DOB Gap is the total amount of excludable and non-excludable benefits received less the dollar amount of excluded benefits (excludable benefits). If the amount of previous assistance received minus excludable benefits is greater than \$0.00, that creates a DOB Gap. If the DOB analysis reveals that a DOB Gap exists, the DOB gap must be satisfied (reduced to zero) prior to the execution of a Homeowner Grant Agreement.

The DOB Gap may be satisfied by the applicant in one or a combination of the following ways:

- The DOB Gap amount along with all future non-excludable benefits received by applicant(s) shall be provided to ADECA and deposited in a DOB Gap Funding Account prior to the execution of the Homeowner Grant Agreement.
- If the applicant qualifies for a reconstruction or replacement award, the DOB Gap may be satisfied through a scope reduction which reduces the dollar value of the benefit provided to the applicant through HRAP, as described in the sections below. Applicants who qualify for a repair award may not elect a scope reduction.

Applicants will be notified in writing if a DOB Gap is discovered. Applicants will have **thirty (30) days** from the date of notification of DOB Gap to appeal the DOB gap determination or satisfy the DOB gap by providing funds in the amount of the DOB gap, accepting a scope reduction as described below, or both. If an applicant fails to satisfy the DOB gap within the **thirty (30) day** timeframe allotted, the applicant's case will be closed.

6.3.1.1 Scope Reduction for DOB Gap

If the applicant qualifies for a repair award, and the DOB Gap is discovered, the applicant *must* provide funds in the amount of the DOB Gap to be deposited into a DOB Gap Funding Account prior to executing a program grant agreement. The program will not proceed with award or program-funded construction activities until the DOB Gap is resolved. Given that rehabilitation 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.

If the applicant qualifies for a replacement or reconstruction award, and a DOB Gap is discovered, the applicant shall either (1) provide funds in the amount of the DOB gap to be deposited into a DOB Gap Funding Account prior to award and commencement of program-sponsored construction and/or (2) opt for a scope reduction to select a lower-priced home than what the homeowner qualifies to receive from the program¹⁰. The cost differential between the home for which an applicant qualifies and the lower priced home they select will be used to offset any DOB Gap.

¹⁰ No scope reduction that causes an overcrowding issue will be authorized. Applicants who would experience overcrowding if a bedroom were removed via scope reduction are prohibited from electing a scope reduction which would create overcrowding.

Homeowner-provided funds that are deposited into the DOB Gap Funding Account will count toward the HRAP award cap of \$350,000. All DOB Gap Funding will be drawn down first, prior to the use of program funds.

Homeowners eligible for reconstruction or replacement may elect to take a scope reduction and/or provide funding to close the DOB Gap. If the homeowner elects to take a scope reduction, HRAP will assist the applicant with choosing a smaller house plan.

6.4 Subrogation

Applicants must subrogate any additional funds received for the same purpose as funds provided by HRAP back to the Program. CDBG-DR funding must be funding of last resort. If additional funds are paid to applicant awardees for repair, reconstruction, or replacement of the damaged structure after HRAP has completed repair, reconstruction, or replacement of the damaged structure, those funds constitute a duplication of benefit and therefore must be returned to ADECA. Applicant awardees will be required to sign a Subrogation Agreement as part of their grant agreement with the Program.

7 Damage Assessment

As stated in Federal Register Volume 87, No. 23, published on February 3, 2022 (87 FR 6364), CDBG-DR funds are intended to address unmet housing needs resulting from the qualifying storms. Non-hurricane damage may only be addressed on structures that also have hurricane-related damage. Structures built before 1978 must be inspected for lead-based paint (LBP) hazards. Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from LBP.

A damage assessment will be conducted at each property to confirm the property is an eligible structure type and to confirm the home has unrepaired storm damage. Information collected during the damage assessment is used for the following key program determinations:

- **Eligibility** – To be eligible for assistance, property must have remaining storm damage and the structure must be an eligible structure type. The damage assessment confirms both of these items. If it is discovered during damage assessment that the home does not have unrepaired storm damage or that the property is an ineligible structure type, the applicant will be deemed not eligible.
- **Award type** – the Estimated Cost of Repair (ECR) is compared against the pre-storm assessed value of the home to determine the award type. The Estimated Cost of Repair (ECR) is also compared against the pre-storm assessed value of the property to determine whether the property is substantially damaged (SD) or would be substantially improved (SI) after receipt of program assistance.
- **Duplication of Benefits** – During the damage assessment, the inspector creates a Damage Repair Valuation (DRV), which quantifies repairs made by the homeowner (if applicable). DRV amount will be considered during DOB review and may be used to offset DOB for eligible repairs.

Program staff will conduct site visits to observe and record the presence of unrepaired storm damage resulting from the qualifying storms, determine the extent of the damage, and determine the estimated cost of repair (ECR). The homeowner or the homeowner's designee should be present for these site

visits. The inspector will inspect the interior and exterior of the home to observe and record damage. The inspector will complete an environmental questionnaire at the time of the damage assessment and will note any environmental concerns on the site or nearby that could affect the evaluation.

7.1 Valuation of Needed Repairs

The damage assessor will prepare an Estimated Cost of Repair, which provides a documented line-item by line-item estimate of the needed repairs observed during an onsite visit to repair the home to program standards. The noted repairs must include unrepaired storm damage but also may include items that do not satisfy current code, health and safety concerns, items that do not meet decent, safe, and sanitary standards, and poor workmanship. The ECR quantifies the materials and labor necessary to repair observed damage and assigns a dollar value for each line item. Dollar values assigned to items quantified during the damage assessment will be based on Xactimate values for standard grade items and associated labor.

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 costs developed by the construction industry for those items, at standard builders' grade prices. The methodology used to prepare the ECR is to account for those scope items that can be counted, measured, or observed. Often, damage assessments are conducted while a household is living in the home. Damage assessors will not move or remove a household's personal effects to observe, measure, or quantify damages. No destructive testing is performed during the estimation process. This means that hidden damage is 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.

Essential appliances damaged by the qualifying storms, including stove/range, oven, dishwasher, refrigerator, and water heaters are eligible to be replaced under HRAP and will be considered during damage assessment. 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, microwaves, stand-alone freezers, and detached garages and carports are not eligible to be replaced under the HRAP and will not be considered during damage assessment. 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 and will not be valued as such. Standard builders grade pricing will be applied to such items.

7.2 Valuation of Storm Damage Repaired prior to Application

During the damage assessment, the assessor will also review any repairs made by the applicant, prior to applying to the program. The value assigned to repairs completed uses standard builders' grade materials and construction industry standard pricing for those items. Luxury items and items repaired with a quality grade above basic standards, such as granite countertops, are not eligible to be replaced in a like-for-like manner and will not be valued as such. Standard builders grade pricing will be applied to such items.

The damage assessor will prepare a Damage Repair Valuation (DRV) to outline the value assigned to repairs completed by the applicant prior to program application. Only completed repairs will be considered. Repairs completed by contractors will be valued including contractor labor and overhead/profit in addition to materials. Homeowners will not be credited for "sweat equity"

associated with self-completed repairs. Repairs completed by volunteers or charitable organizations will not be credited. The DRV may be considered during duplication of benefits review, to offset DOB if appropriate.

7.3 Lead Based Paint Risk Assessment

All properties with an initial award type determination of repair that were built prior to 1978 will be subject to a lead-based paint risk assessment. Lead hazard assessments are on-site investigations to determine the existence, nature, severity, and location of lead-based paint hazards accompanied by a report explaining the results and options for reducing lead-based paint hazards, see 40 C.F.R. § 745.227(d)(11) for report guidelines. All lead hazard assessments for the Program will be performed by Risk Assessors or Lead-Based Paint Inspectors certified by the U.S. Environmental Protection Agency (EPA).

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 cost of rehabilitation and included in the feasibility analysis for repair versus reconstruction. Projects that will be reconstructed or replaced 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 or MHU replacement 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.

8 Environmental Review

Environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §4231 et seq., as well as to the HUD environmental review regulations at 24 C.F.R. § 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.

HRAP conducts an environmental review on every project, prior to issuing a program award to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users. Specifically, 24 C.F.R. § 58.22 limitations on activities pending clearance, prohibits the commitment or expenditure of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environmental review. HRAP environmental review is subject to guidance outlined in the following:

- Protection of Historic Properties (36 C.F.R. § 800);
- Floodplain Management and Protection of Wetlands (24 C.F.R. § 55, Executive Order 11988 and Executive Order 11990);

- Sections 307 (c) and (d) of the Coastal Zone Management Act of 1972 (**CZMA**), as amended, (16 U.S.C. § 1456);
- Sole Source Aquifers (40 C.F.R. § 149);
- Interagency Cooperation - Endangered Species Act of 1973, as amended (50 C.F.R. § 402);
- Section 7 (b)(c) of the Wild and Scenic Rivers Act of 1968 (WSRA), as amended, (16 U.S.C. § 1278 - Restrictions on Water Resources Projects);
- Air quality provisions as found in Sections 176 (c) and (d) of the Clean Air Act, as amended, (42 U.S.C. § 7506) and in Title 40 of the Code of Federal Regulations (40 C.F.R. Parts 6, 51, and 93);
- Farmland Protection Policy Act (**FPPA**) (7 U.S.C. § 4201 *et seq.*, implementing regulations 7 C.F.R. Part 658, of the Agriculture and Food Act of 1981, as amended)
- Environmental Criteria and Standards;
 - Noise Abatement and Control (24 C.F.R. §§ 51.100 - 51.106)
 - Siting of HUD-Assisted Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 C.F.R. §§ 51.200 - 51.208)
 - Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields (24 C.F.R. § 51 §§ 51.300 - 51.305)
- Toxic/Hazardous Materials (24 C.F.R. § 58.5(i)(2)(i));
- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (Executive Order 12898 signed on 1994).

Environmental clearance must be obtained for each project prior to the commitment of federal or non-federal funds. A violation of this requirement may jeopardize Federal funding for the Program and disallow all costs that were incurred before completion of the environmental review.

Issues identified during the environmental review may be mitigated before or after the construction process, if feasible. Eligible environmental mitigation measures, such as lead based paint or asbestos abatement may be paid for through HRAP. If a condition discovered during the environmental review cannot be cleared within program award caps or schedule constraints, the property may be ineligible for assistance.

During the environmental review, the program may determine that, due to extraordinary environmental conditions, the site is not feasible for rehabilitation, demolition, or reconstruction. In these cases, the property may be determined ineligible for assistance.

8.1 Tiered Environmental Review

A tiered approach to environmental compliance was implemented for HRAP. A tiered approach is appropriate when a specific type of activity that will take place in several locations, will serve the same function, and will have the same level of environmental impact regardless of the location where it is to be implemented. The tiered approach has two (2) parts: the broad environmental review that focuses on a targeted geographic area (the Tier I), and the site-specific review (the Tier II).

Tier I reviews were conducted prior to launch of HRAP and addressed and analyzed environmental impacts related to repair, replacement, or reconstruction of single-family homes throughout each of

the nine (9) HUD- and State-MID counties. A Tier II review will be conducted after the award type is determined for each HRAP applicant, but prior to award signing. The Tier II review will identify those environmental impacts that will vary by site and may only be observed when specific project locations are known, such as but not limited to historic preservation, hazardous materials, noise abatement, asbestos removal, etc.

9 Award

Applicants who are deemed eligible, environmentally cleared, and with a \$0 DOB gap will be notified that they are eligible to receive an award in writing, via an award letter. The award letter outlines what type of award the applicant is eligible to receive and next steps the applicant must take to accept the award. After the award letter is sent, the HRAP Case Manager will schedule a Homeowner Grant Agreement (HGA) signing event with each eligible applicant.

During the HGA signing event, the case manager will collect reasonable accommodation request (if applicable), and review the information outlined in the Homeowner Grant Agreement, homeowner responsibilities before, during, and after construction, status of utility bills, and compliance period requirements. Applicants must demonstrate that they are current or on a payment plan in good standing for electric, sewer, and water service. Applicants who cannot prove utilities in good standing may not proceed with grant agreement signing, as utility arrearages may make it impossible for the program to complete construction on the home, as utility companies will not authorize reconnection of accounts in arrears.

The applicant must sign the HGA or appeal the award determination within **thirty (30) days** of the award letter being sent or the case will be closed¹¹.

If an applicant is deemed eligible and awarded, the award type is determined based primarily on the following factors:

- Structure type (MHU vs. Stick Built)
- Estimated Cost to Repair
- Structure age (if MHU)
- Award Cap of \$350,000

Applicants may be awarded a repair, reconstruction, or mobile home replacement award. Program award will not be made until the DOB Gap, if applicable, has been reduced to \$0.00, either via a scope reduction or by the applicant placing funds in the DOB Gap account at ADECA, or a combination of the two.

9.1 Award Caps

The **maximum award granted to repair**, reconstruct, or replace any one structure is \$350,000¹². All costs associated with construction, elevation, reasonable accommodations, environmental

¹¹ Exceptions may be made on a case-by-case basis for extenuating circumstances.

¹² Exceptions to program award caps may be made on a case-by-case basis.

mitigation/abatement, historic preservation, site specific costs, essential appliances, and code compliance/permitting are included in the award cap.

9.1.1 Historic Preservation:

If reconstruction of a single-family property located in, or adjacent to, a historic district would result in an historic preservation adverse effect finding, then a reconstruction award will not be offered to the applicant¹³. In cases where repair of a property is feasible and repair of the property would not result in a historic adverse effect, HRAP may offer otherwise eligible owner-applicants a repair award of up to \$350,000. If it is determined that the home cannot be repaired and must be reconstructed and/or replaced, or if the repair will not alleviate the adverse effect, then the applicant will be deemed ineligible for HRAP assistance. Only owner-applicants may be eligible for the increased repair award when the increased repair award is the most feasible way to avoid an adverse effect. Landlord-applicants are not eligible to receive increased repair awards. Owner-Applicants whose storm-impacted properties may be reconstructed without creation of a historic preservation adverse effect may not elect to receive a repair award.

9.1.2 Multi-Unit Structures:

Multi-unit structures ((i.e. duplexes, triplexes or quadplexes) will not be considered for reconstruction awards under HRAP. In lieu of reconstruction awards, HRAP will set the repair award cap at \$350,000 per eligible unit for multi-unit structures. However, each unit must have an estimated cost to repair (ECR) of no more than 80% of the extended award cap or \$280,000. HRAP will set aside the remaining 20% (\$70,000) for unforeseen conditions that may arise during the project. Damaged properties with ECRs above the 80% threshold will be deemed ineligible for HRAP assistance.

If only one unit in a multi-unit structure needs repair, then HRAP will make the necessary repairs to the damaged unit. Improvements that provide incidental benefit to adjacent units may be permissible, so long as the repairs completed are necessary and reasonable to rehabilitate the eligible unit (i.e. if a roof replacement is needed, the roof may provide benefit to all units in the structure, but would only be undertaken if necessary to bring the eligible unit to DSS standards).

For cases where the owner occupies one of the units and multiple units within the structure need to be addressed, HRAP will allow the owner to submit one (1) owner-applicant application for their unit, and a landlord application for each of the remaining units, provided that they meet all other HRAP landlord-applicant eligibility requirements. Each eligible unit would have a repair cap of \$350,000 and be subject to the 80% ECR provision.

¹³ Adverse effect (as defined in Section 106 National Historic Preservation Act of 1966) is found when an undertaking may alter, directly or indirectly, any of the characteristics of a historic property that qualify the property for inclusion in the National Register of Historic Places (National Register) in a manner that would diminish the integrity of the property's location, design, setting, materials, workmanship, feeling, or association.

9.2 Reasonable Accommodation Requests

Physically disabled Owner-Applicants or Owner-Applicants with a disabled household member may be entitled to additional construction considerations such as low threshold showers, bathroom grab bars, outward swinging doors, exterior ramps, comfort height toilet with grab bars or other accessibility features that will assist with the individual's functional need¹⁴. The program will assess eligibility for these features on a case-by-case basis per assistance benefit type by way of a completed reasonable accommodation request form. Awards may include expenses for additional costs related to accessibility modifications for the disabled.

To be considered for a reasonable accommodation, owner-applicants with a disability (or a household with a person with disabilities permanently residing in the household) must submit a Verification of Disability Form. The applicant or any household member may qualify for reasonable accommodation. If reasonable accommodations are required for a household member, the household member must be a permanent resident of the home and be included in the listed household members used to determine household income.

There is no HUD or otherwise federally enforced accessibility standard for privately owned, single-family, construction projects. However, the program endeavors to provide reasonable accommodations which would allow each applicant and his/her household to enjoy use of the program-assisted home.

Reasonable accommodations are available for repair, reconstruction, and MHU replacement projects. Standard reasonable accommodations in the bathroom for each repair or reconstruction award types are offered in three 'tiers' to allow each applicant to select the level of modification most appropriate for his/her household. Applicants of any award type may also request reasonable accommodations including: a "no step" entrance; or strobe smoke detectors.

Standard reasonable accommodation for home entrance and strobe smoke detectors is standard for all award types. A no step entrance is a home entrance that has no steps and minimal threshold. Only one (1) no step entrance will be installed per property, if requested. If a home is above grade, a no step entrance may require installation of a ramp or lift. Homes on grade may not require installation of anything to accommodate a no step entrance. Ramps will be the preferred method to achieve a no step entry. Lifts will be considered on a case-by-case basis, based on cost reasonableness compared to the cost of a site-built ramp, site conditions, and local zoning/set back requirements.

If the applicant requests, strobe smoke detectors will be installed throughout the home. If requested, strobe smoke detectors will be installed in place of standard smoke/CO detectors.

¹⁴ Landlord Applicants who qualify for a reconstruction award will be provided with the RA-3 accessibility package in the reconstructed home. Rental property owners who qualify for a repair award will be provided with what existed before, to the extent practicable. Rental property owners who qualify for an MHU replacement award will be offered "accessibility adapted" MHUs.

Standard reasonable accommodations for kitchen and/or bathroom modifications vary slightly by award type. Award-type specific options for reasonable accommodations are outlined in each award type below.

9.3 Repair

Eligible applicants with stick-built properties qualify for a repair award type when the estimated cost to repair is less than 50% of the pre-storm assessed value of the home or \$50,000, whichever is lesser, and the property is not otherwise deemed “not suitable for rehabilitation”. Eligible applicants with mobile home properties qualify for a repair award type when the estimated cost to repair is less than \$15,000 and the MHU is fewer than five (5) years old, and the property is not otherwise deemed not suitable for rehabilitation.

9.3.1 Not Suitable for Rehabilitation

HRAP defines “not suitable for rehabilitation as:

- Structures condemned by the Authority Having Jurisdiction: Properties condemned or “red-tagged” by the local authorities will not be rehabilitated;
- Structures that cannot be repaired under existing Program caps, due to legal, engineering, or environmental constraints (permitting, extraordinary site conditions, etc.) will be considered not suitable for repair;
- Structures that are structurally unsafe or that have other conditions that make interior inspection by HRAP impossible or unsafe;
- Structures that have already been demolished; or
- Structures that require elevation.

Eligible applicants with homes deemed not suitable for rehabilitation may be offered reconstruction assistance, if the applicant owns the land on which the structure sits, and reconstruction is feasible.

9.3.2 Repair Scopes of Work

Program sponsored repairs are intended to repair remaining storm damage and to make the home decent, safe, and sanitary. HRAP does not provide “like for like” repairs. HRAP repairs will be completed using standard economy/builders’ grade materials, not with materials that were there before. For example, if a repair award calls for replacement of cabinets, the program will replace existing cabinets with standard grade cabinets, regardless of the grade of the pre-existing cabinets.

Repair scopes of work will be limited to those items identified by the program as in need of repair to bring the home back up to decent, safe, and sanitary conditions. Repairs, upgrades, or modifications requested by the homeowner will not be considered. For example, if some windows are in need of repair or replacement, the program would replace those windows in need of repair only; other operable windows would not be replaced or repaired.

Standard essential appliances that are not functioning or non-existent at the time of damage assessment will be replaced. Essential appliances include stove/range, oven, water heater, and refrigerator only. Dishwashers may be replaced, only if a dishwasher previously existed in the home. Repair awards will not receive dishwasher if a dishwasher was not present at time of damage assessment. Washing machines and dryers, microwaves, stand-alone freezers, and other non-

essential appliances are not eligible for replacement. Any obsolete products replaced as part of the repairs must be replaced with ENERGY STAR®, Water Sense, or other Federal Energy Management Program (**FEMP**)-designated products or appliances.

Luxury items, **including but not limited to**, high-end countertops, high-end appliances, stone flooring, security systems, swimming pools, spas, fireplaces, sheds, outbuildings, fences, and television satellite dishes are not eligible under HRAP.

Because repair scopes of work only address items in need of repair for the home to be decent, safe, and sanitary, HRAP does not guarantee that work completed as part of a repair award will match other items in the home. Some examples of this include, but are not limited to:

- Flooring replaced in portions of a home may not match flooring in other rooms. HRAP will replace flooring by room, to the nearest cased opening.
- Light fixtures replaced may not match pre-existing light fixtures or fixtures in other parts of the home.
- If only a portion of the windows require replacement, all the windows in the home may not match.
- If a portion of the home requires paint, paint in the repaired portion of the home may not match paint in other rooms (interior) or on other elevations (if exterior). HRAP will paint whole interior rooms, to the door casing, or whole exterior sections to the next architectural break. Additional rooms or elevations will not be included for aesthetic reasons alone.

9.3.3 Reasonable Accommodations – Repair Award Type

Applicants who qualify for a repair award type may qualify for reasonable accommodations in rooms/areas where program scope of work exists. In general, reasonable accommodations will only be made in repair projects if the program scope of work impacts the item and room where a reasonable accommodation is requested. For example, if the program scope of work does not include removal/replacement of a tub/shower, the program will not modify the existing, tub/shower for the sole purpose of installing or modifying the existing facilities to include accessibility features.

If the program scope of work impacts the kitchen, bathroom, or entryway in a repair project, the applicant may request reasonable accommodations in those areas. Reasonable accommodations for bathrooms are offered in three (3) tiers, so that the applicant may request the level of accommodation that best suits his/her need.

Applicants who request accommodations in a bathroom may select one (1) of three (3) standard available options. Accessibility modifications will only be made in one (1) bathroom. If the repair project scope includes more than one (1) bathroom, the reasonable accommodation will be installed in the bathroom that is in the program scope of work where modifications are the most feasible within the existing dimensions and scope of work in the room.

The program will not move walls to expand the size of an existing bathroom or move plumbing lines to install an accessibility accommodation. Because repair projects are largely constrained by the size of existing rooms, there is no standard width/length size requirements for tub/shower compartments. The program will attempt to replace tub/showers with fixtures similar in size to the existing fixtures.

9.3.3.1.1 Bathroom Reasonable Accommodation 1 (RA-1)

Applicants who opt for Reasonable Accommodation 1 (RA-1) will be provided one (1) bathroom with the following accessibility modifications:

- Tub/Shower combination with blocking and a grab bar
- Chair height toilet with grab bars

9.3.3.1.2 Bathroom Reasonable Accommodation 2 (RA-2)

Applicants who request Reasonable Accommodation 2 (RA-2) will be provided one (1) bathroom with the following accessibility modifications:

- Tub/Shower combination with blocking, grab bars, seat, and shower wand
- Chair height toilet with grab bars

9.3.3.1.3 Bathroom Reasonable Accommodation 3 (RA-3)

Applicants who request Reasonable Accommodation 3 (RA-3) will be provided one (1) bathroom with the following accessibility modifications:

- Roll-in shower compartment to fit existing tub/shower space, equipped with grab bars, seat, and shower wand
- Chair height toilet with grab bars
- Roll under vanity, only upon request

9.3.3.1.4 Kitchen Reasonable Accommodations

Applicants may indicate reasonable accommodations to make a kitchen more accessible. Reasonable accommodations in kitchens for repair award types must be accommodations to items included in the program scope of work, and may include:

- Wheelchair accessible cook top (knobs on front of the appliance)
- Roll under kitchen sink

Items not included in the program scope of work will not be modified for the sole purpose of providing an accessibility modification. Accessibility modifications will only be made to the primary kitchen at the property, in the event that more than one kitchen is available.

9.4 Reconstruction

Eligible applicants with stick-built homes qualify for a reconstruction award type when the estimated cost to repair is greater than or equal to 50% of the pre-storm assessed value of the structure or \$50,000, whichever is lesser. Eligible applicants with properties otherwise deemed not suitable for rehabilitation may also qualify for a reconstruction award if the applicant owns the land and it is feasible to reconstruct the structure on the property.

Eligible applicants with MHUs may qualify for reconstruction only if it is infeasible to replace an MHU on the applicant's property and the applicant owns the land on which the MHU is situated. HRAP

considers it infeasible to replace an MHU if it must be elevated above the standard 3-foot installation height, if zoning or municipal regulations prohibit installation of a mobile home on the property, or if other engineering, environmental, or site constraints make installation of an MHU onsite infeasible. Applicants with MHU property types shall not be awarded a reconstruction award simply due to applicant preference.

Homes that meet the threshold for a reconstruction award will be demolished and reconstructed in substantially the same footprint, when feasible. Reconstructed homes will meet local building codes and will incorporate Green Building Standards, energy efficiency, and resilience measures to the extent possible.

9.4.1 Size and New Unit Configuration

HRAP will provide applicants who qualify for reconstruction awards with standard program floorplan homes. HRAP offers 2-, 3-, and 4-bedroom homes; all standard floorplans include 2 bathrooms. Which standard floorplan the applicant receives is based on the number of bedrooms present in the storm damaged property and verified via the damage assessment. Exceptions to reconstructed home bedroom/bathroom configuration will only be considered if overcrowding exists within the home or if an applicant elects to reduce the number of bedrooms and/or bathrooms to reduce a DOB gap.

- If the storm damaged property had two (2) bedrooms or fewer, the applicant will receive a standard two-bedroom, two-bathroom home.
- If the storm damaged property had three (3) bedrooms, the applicant will receive a standard three-bedroom, two-bathroom home.
- If the storm damaged property had four (4) bedrooms **or more**, the applicant will receive a standard four-bedroom, two-bathroom home.

To reduce the required time from award to completion as related to reconstruction, the Program will provide plans and specifications for “model homes” available to applicants. The Program has available two-, three-, and four-bedroom “model homes.” **Standard floorplans are offered in the following square footage ranges only.**

Bedroom/Bathroom Configuration	Square Footage
2 bedroom / 2 bathroom	1000 – 1200 SF
3 bedroom / 2 bathroom	1200 – 1500 SF
4 bedroom / 2 bathroom	1300 – 1700 SF

HRAP reconstructed homes do not include reconstruction of garages (attached or detached), sheds, pool houses, or other outbuildings. Such outbuildings may be demolished during reconstruction to allow enough space for the new home to be built or because such structures pose a health or safety issue.

The following is a non-exhaustive list of items that are not included or considered when determining the floorplan, bedroom/bathroom configuration, or size of the reconstructed home provided by HRAP. HRAP does not reconstruct like for like:

- Interior or exterior finishes;
- Square footage;
- Number of bathrooms (if more than 2);
- Extra/Bonus rooms such as dens, playrooms, offices, studies, libraries, etc.

9.4.2 Reasonable Accommodations – Reconstruction Award Type

All stick-built reconstruction projects are designed with the following accommodations. All reconstructions will receive the following universal accommodations, regardless of whether a Reasonable Accommodation has been requested by the applicant:

- 36" hallways, wide enough to accommodate a standard wheelchair
- Adequate turning radius for a wheelchair in the kitchen
- Adequate turning radius for a wheelchair in one (1) bathroom¹⁵
- All doors installed with levers instead of knobs
- Exterior doors, master bedroom door, and master bathroom doors are 36" wide

In addition, the applicant may request reasonable accommodations in the bathroom, kitchen, entrance, and/or strobe smoke detectors throughout.

9.4.2.1 Reasonable Accommodations – Bathroom

Applicants who request accommodations in a bathroom may select one (1) of three (3) standard available options. Accessibility modifications will only be made in one (1) bathroom. By default, the modified bathroom will be the master bathroom, unless otherwise specified on a completed Reasonable Accommodation Request Form.

9.4.2.1.1 Bathroom Reasonable Accommodation 1 (RA-1)

Applicants who opt for Reasonable Accommodation 1 (RA-1) will be provided one (1) bathroom with the following accessibility modifications:

- Tub length of 60" and tub width of 36" in master bath. Hallway bathtub is 60" x 30", with no seat. Grab bars installed near the tub/shower enclosure.
- Chair height toilet with grab bars

¹⁵ If the applicant requests a reasonable accommodation for the bathroom, the reasonable accommodation will be installed in the bathroom with adequate turning radius for a wheelchair, unless otherwise specified on the Verification of Disability Form. If the applicant opts to remove a bathroom to resolve a DOB Gap, wheelchair turning radius may not be available in the remaining bathroom.

9.4.2.1.2 Bathroom Reasonable Accommodation 2 (RA-2)

Applicants who request Reasonable Accommodation 2 (RA-2) will be provided one (1) bathroom with the following accessibility modifications:

- Tub/Shower combination with blocking, grab bars, seat, and shower wand
- Chair height toilet with grab bars

9.4.2.1.3 Bathroom Reasonable Accommodation 3 (RA-3)

Applicants who request Reasonable Accommodation 3 (RA-3) will be provided one (1) bathroom with the following accessibility modifications:

- 30"x60" roll-in shower compartment, equipped with grab bars, seat, and shower wand
- Chair height toilet with grab bars
- Roll under vanity

9.4.2.2 Reasonable Accommodations – Kitchen

Applicants may indicate reasonable accommodations to make a kitchen more accessible. Standard reasonable accommodations for kitchens in reconstruction project types include:

- Wheelchair accessible cook top (knobs on front of appliance)
- Roll under kitchen sink

9.5 Mobile Home Unit (MHU) Replacement

Eligible applicants with mobile home unit (MHU) properties qualify for a replacement award type when the estimated cost to repair is greater than \$15,000 and/or the MHU is five (5) years old or older. Eligible applicants with MHUs on leased land must have landowner consent to replace an MHU on the land prior to award or must have identified a suitable alternate location. Homes that meet the threshold for a replacement award will be demolished and a new MHU will be installed in substantially the same footprint, when feasible.

9.5.1 Size and New Unit Configuration

HRAP will provide applicants who qualify for replacement awards with 2-, 3-, and 4-bedroom singlewide or doublewide MHUs; all bedroom configurations include 2 bathrooms. Which unit configuration an applicant receives is based on the number of bedrooms present in the storm damaged property and the width (single or doublewide) of the storm damaged MHU, as verified by the damage assessment. After-market additions are not considered when determining the width or number of bedrooms in the storm damaged MHU (i.e., if a 3rd bedroom was added on to a singlewide 2-bedroom MHU, the home will be considered a 2-bedroom, singlewide MHU). Exceptions to replacement MHU bedroom configuration will only be considered if overcrowding exists within the home or if the applicant elects to reduce the number of bedrooms via scope reduction to reduce or eliminate a DOB gap.

- If the storm damaged property had two (2) bedrooms or fewer, the applicant will receive a two-bedroom, two-bathroom MHU.

- If the storm damaged property had three (3) bedrooms, the applicant will receive a three-bedroom, two-bathroom MHU.
- If the storm damaged property had four (4) bedrooms or more, the applicant will receive a four-bedroom, two-bathroom MHU.

The storm-damaged MHU width configuration will also be based on the width of the storm-damaged MHU. HRAP only provides singlewide and doublewide units. Triple-wide or larger units are not provided.

- If the storm damaged MHU was a singlewide, the applicant will receive a singlewide.
- If the storm damaged MHU was a doublewide, triple wide, or larger width configuration, the applicant will receive a doublewide.

To reduce the required time from award to completion as related to replacement awards, the Program will task the assigned General Contractor to source an MHU in the awarded singlewide or doublewide bedroom/bathroom configuration. HRAP does not offer standard floorplans for MHUs. HRAP offers standard bedroom/bathroom configurations in singlewide or doublewide units in the following standard square footage ranges. All MHUs sourced by the program must be HUD approved units. The table below outlines square footage ranges for singlewide and doublewide units

Bedroom/Bathroom Configuration	Square Footage
Singlewide 2 bedroom / 2 bathroom	750 – 900 SF
Singlewide 3 bedroom / 2 bathroom	1000 – 1200 SF
Singlewide 4 bedroom / 2 bathroom	1000 – 1200 SF
Doublewide 2 bedroom / 2 bathroom	1000 – 1250 SF
Doublewide 3 bedroom / 2 bathroom	1250 – 1500 SF
Doublewide 4 bedroom / 2 bathroom	1400 – 1800 SF

HRAP replacement MHUs do not include replacement or reconstruction of garages (attached or detached), sheds, pool houses, carports, or other outbuildings. Such outbuildings may be demolished during construction to allow ample space for the new MHU to be delivered/installed or because such structures pose a health or safety issue.

The following is a non-exhaustive list of items that are not included or considered when determining the bedroom/bathroom configuration, or size of the replacement MHU provided by HRAP. HRAP does not reconstruct like for like:

- Interior or exterior finishes;
- Square footage;
- Manufacturer of the storm damaged unit;
- Number of bathrooms (if more than 2);
- Extra/Bonus rooms such as dens, playrooms, offices, etc.;

- After market additions such as additional rooms or covered porches.

9.5.2 Mobile Home Relocation

HRAP allows for replacement of a mobile home in an alternate location only when replacing the MHU in the same location as the storm damaged MHU is not feasible or prohibited. MHU relocations may be considered for otherwise eligible applicants who do not own the land of which the storm-damaged MHU is situated, under the following circumstances:

- The landowner does not consent to a new unit being replaced on the land;
- If MHU must be elevated above the standard 3-foot installation height;
- If zoning or municipal regulations prohibit installation of a mobile home on the property; or
- If other engineering, environmental, or site constraints make installation of an MHU onsite infeasible.

HRAP does not provide replacement property for applicants. To be allowed to replace an MHU on an alternate property, the applicant must source and obtain ownership or permission to install a MHU at the alternate location. Alternate locations must be zoned to allow for installation of a mobile home unit, have ready access to sewer, water, and electric connections, and must not be located in a 100-year floodplain. **Alternate mobile home sites must pass an environmental review before the applicant makes a binding commitment to lease or purchase land. If an applicant enters into a binding agreement to lease or purchase alternate land before the program has environmentally cleared the alternate parcel, the applicant may be ineligible for assistance, as this constitutes a choice-limiting action.**¹⁶

9.5.3 Reasonable Accommodations – Mobile Home Replacement Award Type

Applicants who qualify for a replacement award type may request reasonable accommodations. Reasonable accommodations in MHU projects are limited by manufacturer specifications and unit availability. Applicants who request Reasonable Accommodation will be provided with an “accessibility adapted” mobile home unit. Accessibility adapted designations are controlled by the MHU manufacturer and may include features such as wider doorways, grab bars, or low-threshold shower compartments.

10 Pre-Construction

After the Homeowner Grant Agreement (HGA) is executed, the case enters the “pre-construction” phase. During the pre-construction phase of the program, several key activities take place which

¹⁶ 24 CFR 58.22(a) Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in § 58.1(b) on an activity or project until HUD or the state has approved the recipient's RROF and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in § 58.1(b) if the activity or project would have an adverse environmental impact or **limit the choice of reasonable alternatives.**

prepare the project for the start of physical construction. Key activities which take place during the pre-construction phase of the program include, but are not limited to:

- General Contractor Assignment: HRAP assigns a program-qualified General Contractor (GC) to complete the construction project;
- Survey and Design: The assigned General Contractor will arrange for a property survey and engineering design for the project, as applicable;
- Cost Estimate: The assigned General Contractor will visit the project site to finalize a cost estimate;
- Pre-Construction Meeting: The program will host a meeting with the applicant to review key items as related to construction;
- Permitting: The assigned General Contractor will obtain all permits required to complete the assigned construction scope of work; and
- Homeowner Moveout and Utility Disconnection (if applicable): Homeowners must temporarily move out of the storm damaged property for construction to take place. If applicable, homeowners must also arrange for utilities at the property to be disconnected.

10.1 Contractor Selection and Assignment

HRAP relies on a pool of qualified general contractors (GC) to perform repair, reconstruction, and MHU replacement work. General contractors will be assigned to complete construction work for eligible and awarded applicants. General contractors will be assigned by HRAP to each project after the Homeowner Grant Agreement has been executed. Applicants are not permitted to select or manage their own general contractor.

HRAP will assign projects to general contractors based on the general contractor's performance history on HRAP construction projects and the general contractor's capacity to take on additional jobs at the time the project is ready to be assigned.

Each home assigned to and completed by a GC will be graded on a score of 0 to 100 based on speed of preconstruction and construction activities, quality of construction, customer service, and GC capacity for additional work. Average scores will then be calculated for each GC based on the final scores from completed homes. The GCs will then be ranked based on total score. GCs with higher scores may receive more assignments as they are operating at a higher level than GCs with lower scores.

10.2 Survey and Design

Assigned general contractors are responsible for completing property boundary surveys and engineering design, as applicable. Most reconstruction project types will require property boundary surveys to determine placement of the new home on the property within municipal set back boundaries. Repair and replacement projects are not likely to require boundary surveys or engineering work, however, each will be evaluated on a case-by-case basis.

10.3 Cost Estimate

As part of the procurement of general contractors, the program developed standards for pricing for each of the three (3) award types offered by HRAP. All costs incurred by HRAP must follow the Cost

Principles outlined at 2 C.F.R. Part 200, Subpart E. When a contractor is selected, HRAP provides the contractor with a preliminary scope of work.

- For mobile home replacements, the program preliminary scope of work includes the number of bedrooms and bathrooms which must be included in the replacement MHU, any handicap accessibility modifications to be included, and the width of the unit (singlewide or doublewide).
- For reconstruction award types, the program preliminary scope of work includes the number of bedrooms and bathrooms which must be included in the replacement home, and any handicap accessibility modifications to be included.
- For repair award types, the program preliminary scope of work is Estimated Cost to Repair document, which relies on Xactimate pricing and is prepared during the damage assessment phase.

General contractors will visit each subject property to evaluate site-specific conditions that must be factored into the HRAP cost estimate and to finalize the HRAP-provided scope of work. The applicant or his/her designee are required to attend the site visit conducted by the General Contractor. Upon completion of the site visit and incorporation of any site-specific line items to the scope of work, the General Contractor must submit the scope of work to the program for review and approval. The program must approve each scope of work before the General Contractor may begin construction activities. Once approved, the HRAP scope of work may only be modified via a duly authorized change order.

10.4 Pre-Construction Meeting

After the scope of work has been approved by the Program, the General Contractor and Case Manager will host a “pre-construction” meeting with each applicant. The purpose of the pre-construction meeting is to inform the homeowner of next steps, provide the homeowner with the floorplan or scope of work that will be performed by the program, and answer any construction-related questions the homeowner may have. Key topics covered during the pre-construction meeting include, but are not limited to:

- **Homeowner Moveout and Utility Disconnection:** The General Contractor and Homeowner will agree upon a date by which the homeowner must vacate the storm-damaged property and have all utilities disconnected.
- **Site Conditions:** Project sites must be cleared of excessive debris and personal property. During the pre-construction meeting, the applicant will be informed of actions he/she must take to ready the site for construction. **If the site includes excessive debris or personal property, the applicant must clear the site within thirty (30) days of the pre-construction meeting.** The applicant will also be informed which, if any, outbuildings, landscaping, ancillary structures must be removed. Similarly, if the applicant wishes to preserve any of the items slated for removal/demolition, the applicant must remove the items from the property within **thirty (30) days** of the pre-construction meeting. **Outbuildings, landscaping, and structures other than the storm damaged home which remain on the property thirty (30) days after pre-construction meeting may be demolished and HRAP will not replace them.**

- **Scope of Work:** The General Contractor will present the applicant with a copy of the program approved scope of work. If the project is a MHU replacement or reconstruction, the scope of work shall include a copy of the floorplan being offered.
- **Reasonable Accommodations:** The General Contractor will confirm any reasonable accommodations included in the approved scope of work with the applicant.

10.5 Permitting and Code Compliance

Alabama does not have an adopted statewide residential building code. General contractors are required to complete all HRAP-sponsored construction activities in accordance with local building codes. General contractors are responsible for determining which permits are required and for acquiring all permits required to complete the HRAP-approved scope of work from the authority having jurisdiction for code compliance in the location where the construction project is located. Permits required for each project vary by location and scope of work, but may include permits for items such as but not limited to:

- Demolition
- Septic
- MHU Installation
- Mechanical, electrical, or plumbing
- Building
- Roofing
- Asbestos or Lead Based Paint Abatement

Applicants may be required to sign documents which authorize the General Contractor to obtain permits from the authority having jurisdiction. Because requirements vary by jurisdiction, documents which require the applicant's signature may also vary. If required to sign or complete documents in support of permitting, the applicant must do so within thirty (30) days of being presented with such documents.

General Contractors must demonstrate code compliance in order to pass a program final inspection. For reconstruction or MHU replacement projects, code compliance will be confirmed via a Certificate of Occupancy (or equivalent), issued by the authority having jurisdiction. For repair projects, code compliance will be confirmed via Certificate(s) of Completion (or equivalent), as applicable, issued by the authority having jurisdiction. Certificate(s) of Completion issued for repair projects may vary, depending on the scope of work completed by the program.

11 Construction

11.1 Green and Resilient Building Standards

Comprehensive green building standards improve the lives of residents, support community revitalization, and protect the environment. There are significant social, environmental, financial and health benefits to incorporating a comprehensive set of green building standards.

HRAP will follow Green Building Standards as stated in Federal Register Vol. 87, No. 23. Published on Thursday, February 3, 2022 (87 FR 6364) which requires all new construction and replacement of

substantially damaged residential structures to meet the Green and Resilient Building Standard, by meeting an industry recognized standard that has achieved certification under at least one of the following Programs:

- Enterprise Green Communities;
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
- ICC–700 National Green Building Standard Green + Resilience,
- Living Building Challenge, or
- Any other equivalent comprehensive green building Program acceptable to HUD.

Additionally, all reconstruction and rehabilitation of substantially damaged residential structures must achieve a minimum energy efficiency standard, under at least one of the following:

- ENERGY STAR (Certified Homes or Multifamily High-Rise);
- DOE Zero Energy Ready Home;
- EarthCraft House, EarthCraft Multifamily;
- Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association;
- Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label);
- Earth Advantage New Homes; or
- Any other equivalent energy efficiency standard acceptable to HUD.

HRAP will follow the guidelines specified in the HUD CPD Green Building Retrofit checklist for all rehabilitation of non-substantially damaged properties. The Green Building Retrofit checklist will be used to the extent applicable for the rehabilitation work undertaken, for example mold resistant building materials will be used if drywall replacement is required in wet rooms.

11.2 Elevation Standards

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 Base Flood Elevation (BFE). The program will order elevation certificates for construction projects where necessary to comply with HUD's guidance. The program will not engage in elevation activities as a standalone measure that is not connected to the repair damage caused by qualifying storms.

11.3 Eligible Construction Activities

General Contractors are only authorized to perform construction activities that are duly authorized by an approved HRAP scope of work or via an approved change order. Homeowner requests for upgrades, modifications, and/or additional work shall not be considered. Program scopes of work, including all items outlined in the bulleted list below are subject to HRAP award caps.

Program scopes of work may include:

- **Repair work:** Repair work includes items required to complete repair or renovation of a portion of a home. Repair work is intended to repair storm damage and bring the items repaired into compliance with local building codes. Repair of substantially damaged or substantially improved structures will include scope associated with the HUD CPD Green Building Retrofit checklist.
- **Reconstruction:** Reconstruction consists of the demolition, removal, and disposal of the storm damaged structure, followed by construction of a new home in substantially the same footprint as the storm-damaged home. Reconstruction work will be conducted in accordance with local building codes, HUD standards for green and resilient building, and HUD standards for energy efficiency. Reconstructed homes are only offered in standard HRAP floorplans. No custom designed homes are authorized.
- **Mobile Home Unit (MHU) Replacement:** MHU Replacement consists of the demolition, removal, and disposal of the storm-damaged MHU, followed by installation of a new MHU in substantially the same footprint as the storm-damaged MHU. MHUs provided by HRAP must be HUD certified, and will be installed in accordance with local building and zoning regulations. MHUs are offered in 2, 3, and 4-bedroom configurations, all with 2 bathrooms. Singlewide and doublewide MHUs are offered. MHUs will be sourced and offered by the General Contractor, in accordance with HRAP size and configuration guidance. Applicants are not permitted to select the MHU.
- **Site work:** Site work includes site-specific construction activities necessary to complete the project that are not related to the structure itself. Site work includes activities such as: flatwork, grading, septic tank repair/replacement, well repair/replacement, installation of sod, tree trimming or tree removal, etc.
- **Environmental Abatement:** Environmental abatement activities are those environmental activities identified by HRAP or the General Contractor that must be addressed in order to deliver a decent, safe, and sanitary home. Environmental abatement activities may include items such as, but not limited to lead based paint removal or mitigation or asbestos abatement. Costs of environmental clearance inspections are also allowable.
- **Historic Preservation:** 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. If the State Historic Preservation Office (SHPO) or other authority having jurisdiction requires specific construction or design measures to prevent an adverse effect to a historic or cultural resource, such activities may be included in the program scope of work.
- **Reasonable Accommodations:** Scopes of work for applicants with duly approved reasonable accommodation requests will include items associated with the approved reasonable accommodation(s). Reasonable accommodations may include items such as: widened doorways, ramps, grab bars, etc. To be included in a program scope of work, the applicant must have presented adequate documentation of a disability for him/herself or a household member, and the reasonable accommodations request form must be approved prior to construction start.
- **Essential Appliances:** Essential appliances, which include stove/range, oven, water heater, dishwasher, and refrigerator are included in program scope of work for all reconstruction and replacement award types. Scopes of work for repair award types will include replacement of

essential appliances, only if the essential appliances are damaged, in non-working order, or non-existent at the time of damage assessment¹⁷. Appliances provided will be of standard, economy grade and energy efficient. Luxury appliances will not be provided.

- **Smoke and Carbon Monoxide Detectors:** All assisted homes will be equipped with smoke and carbon monoxide detectors, in accordance with local code requirements.
- **Mitigation Measures:** Measures to make homes more resilient in the face of future disasters such as but not limited to roof strapping or impact resistant glass, may be included in program scopes of work.

The above bulleted list is not intended to be an exhaustive or all-encompassing list. All construction work undertaken by General Contractors must be approved via an approved cost estimate or duly authorized change order. Any work completed by general contractors prior to authorization by HRAP is completed at the general contractor's own risk.

HRAP does not offer like-for-like replacement of anything. All construction work completed by the program will be completed using standard, builders' grade materials, regardless of what was at the home before. Applicant-requested upgrades, additions, or modifications to construction scopes of work will not be considered. Applicants may not pay out of pocket for upgrades, additions, or modifications concurrent with program sponsored construction.

11.3.1 Exacerbated Damages

To the extent that damages resulting from Hurricanes Sally and/or Zeta are exacerbated by circumstances beyond the applicant's control before the repair or reconstruction of the hurricane-damaged structure is completed, HRAP may fund the repair, reconstruction, or replacement of the damaged home.

As recovery from disasters is a long-term process and applicant damages are calculated at a point in time, a subsequent change in an applicant's circumstances can affect the value of unmet needs to an applicant's property. Examples of circumstances beyond the applicant's control include, but are not limited to subsequent disaster, vandalism, or fire.

For example, if an applicant's home was damaged by Hurricane Sally or Zeta and a subsequent flood or other unforeseen event exacerbates the original Hurricane Sally or Zeta damage before repairs to damages caused by the hurricanes could be completed, HRAP may complete the rehabilitation, replacement, or reconstruction and address the unmet repair need as it currently exists.

However, HRAP may not provide assistance for activities that: (1) address a need arising solely from an event other than Hurricane Sally or Zeta; or (2) address a need that has been met in full. For example, if a home did not suffer damages from Hurricane Sally or Zeta, but later suffers damages from a subsequent event, HRAP cannot provide assistance to rehabilitate, replace, or reconstruct the home.

¹⁷ Dishwashers will only be replaced in repair award projects if the storm-damaged home contained a dishwasher that is damaged. Dishwashers will not be added in repair projects where the storm-damaged home did not have a dishwasher.

As stated in HRAP eligibility criteria, all applicants must have sustained damage from Hurricane Sally or Zeta to receive assistance. If exacerbated damages make it impossible to determine damages from Hurricane Sally or Zeta through a damage inspection, the Program may use third-party documentation or datasets, such as FEMA award letter, to document storm damages.

11.4 Construction Warranty

All construction work completed by the program will be accompanied by a one (1) year general warranty. Applicants are provided with a copy of the warranty package upon release of keys to the program-assisted property. Warranties for replacement and reconstruction projects cover the entirety of the program-assisted unit. Warranties for repair projects cover all program-repaired scope items. For example, if a repair project did not include scope of work related to structural repairs, mechanical, electrical, or plumbing, those warranties may not apply.

The General Contractor is responsible to provide the warranty and to address any valid warranty issues which arise during the one (1) year coverage period. If an applicant chooses to make modifications, additions, or to otherwise affect or alter any program-assisted item during the one (1) year warranty period, the warranty will be void and the General Contractor will not be responsible for any repairs.

11.5 Construction Progress Inspections

All HRAP construction projects must pass a 50% inspection and a final construction inspection. The goal of program inspections is to confirm that construction work is being completed in accordance with the HRAP-approved scope of work and that work is of sufficient quality. Program inspectors are not municipal code inspectors and program inspections do not supersede required municipal code inspections. General contractors are responsible to coordinate municipal code inspections, as required by the authority having jurisdiction to close permits and / or obtain a certificate of occupancy or certificate(s) of completion (or equivalent).

General Contractors must pass a 50% inspection before requesting a final inspection. The General Contractor or General Contractor's representative must be present at each inspection. Failed 50% or failed final construction inspections are considered when determining a General Contractor's score for purposes of General Contractor assignments.

Items required to pass a 50% inspection and final inspection vary by award type, and are outlined below. Inspections may fail an inspection because required work is not complete, because a general contractor or general contractor's representative failed to attend, or because work complete is not of acceptable quality.

11.5.1 Repair Award Type Inspections

For a repair project to pass a 50% construction inspection, items totaling 50% or more of the dollar value of the scope of work must be completed. General Contractors may request a 50% inspection for a repair project when the General Contractor believes the 50% threshold has been met or exceeded. General Contractors are required to provide photo documentation of work completed and enclosed, when applicable, for the item to pass. Examples of work that may be completed and enclosed at the time of a 50% inspection include, but are not limited to:

- Use of green rock in wet areas that has been painted over,

- Installation of insulation in exterior walls that have sheet rock installed,
- Installation of new subfloor,
- Installation of new radiant barrier sheathing if conducting roof replacement,
- Completion of anti-microbial spray, or
- Installation of replaced plumbing supply/waste lines or valves located within walls.

To pass a final inspection, repair project types must be complete, with municipal approval achieved, as evidenced by Certificate(s) of Completion (or equivalent), and as applicable, issued by the authority having jurisdiction. To pass a final inspection, the following must be complete and onsite at the time of program inspection:

- Certificate(s) of Completion (or equivalent), issued by an authority having jurisdiction on site for all permits issued for the project;
- All site work complete;
- Photos of any work complete and enclosed at the time of final inspection. Work complete and enclosed at final inspection may include, but is not limited to:
 - Use of green rock in wet areas that has been painted over,
 - Installation of insulation in exterior walls that have sheet rock installed,
 - Installation of new subfloor,
 - Installation of new radiant barrier sheathing if conducting roof replacement,
 - Completion of anti-microbial spray, or
 - Installation of replaced plumbing supply/waste lines or valves located within walls.
- All construction work included in the HRAP-approved cost estimate and any duly authorized change orders is complete and of sufficient quality;
- All utilities are reconnected and functional;
- All essential appliances are properly installed and functioning as intended;
- If the program-assisted structure is in the 100-year floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is 2 or more feet above the Base Flood Elevation (BFE);
- Warranty issued for one (1) year and warranty booklet present in the home; and
- If the home was built prior to 1978, a lead-based paint clearance report is present.

11.5.2 Reconstruction Award Type Inspections

For a reconstruction project to pass a 50% inspection, all of the following items must be complete and onsite at the time of inspection. Walls are not to be enclosed at the time of the 50% inspection. The inspector must be able to view and inspect the interior of all walls.

- Damaged home has been demolished and debris from the damaged home has been removed from the site and disposed of at an accredited facility to accept such waste;
- Foundation is complete;
- Framing is complete and evidence of a passing municipal framing inspection is on site;
- Roof complete;
- Exterior siding complete;
- Windows installed; and

- Mechanical, electrical, and plumbing rough-ins complete, with evidence of a passing municipal inspection on site.

To pass a final inspection, reconstruction project types must be complete, with municipal approval achieved, as evidenced by a Certificate of Occupancy (or equivalent) issued by the authority having jurisdiction. To pass a final inspection, the following must be complete and onsite at the time of program inspection:

- Certificate of Occupancy on site;
- HUD-approved Green Building Certification achieved and on site;
- Proof of a HUD-approved minimum energy efficiency standard achieved and on site;
- All site work complete, including final grading, flatwork, and sod installation;
- All construction complete and of good quality in accordance with HRAP-approved floorplan, scope of work, and any duly authorized change orders
- Address numbers are installed on the front of the home;
- All utilities reconnected and functioning;
- All appliances properly installed and functioning as intended;
- If the program-assisted structure is in the 100-year floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is 2 or more feet above the Base Flood Elevation (BFE); and
- Warranty issued for one (1) year and warranty booklet present in the home.

11.5.3 MHU Replacement Award Type Inspections

For an MHU replacement project to pass a 50% inspection, all of the following items must be complete and onsite at the time of inspection.

- Storm-damaged MHU has been demolished and removed from the property for disposal at an approved facility; and
- Replacement MHU has been delivered to the site.

To pass a final inspection, MHU replacement project types must be complete, with municipal approval achieved, as evidenced by a Certificate of Occupancy (or equivalent) issued by the authority having jurisdiction. To pass a final inspection, the following must be complete and onsite at the time of program inspection:

- Certificate of Occupancy on site;
- All site work complete, including final grading, flatwork, and sod installation;
- All construction complete and of good quality in accordance with HRAP-approved floorplan, scope of work, and any duly authorized change orders;
- Address numbers are installed on the front of the home;
- All utilities reconnected and functioning;
- All essential appliances properly installed and functioning as intended;
- If the program-assisted structure is in the 100-year floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is 2 or more feet above the Base Flood Elevation (BFE);

- Warranty issued for one (1) year and warranty booklet present in the home; and
- Title for the new MHU is issued in the applicant's name.

11.6 Change Orders

From time to time, it may be discovered that the construction scope of work originally approved by HRAP must be altered to deliver a decent, safe, and sanitary home within acceptable timeframes. HRAP allows for the use of change orders to modify the program-approved scope of work. Change orders must be initiated by the General Contractor. General Contractors must substantiate the need for the change order and demonstrate that costs associated with the change order are reasonable. Change orders initiated by the homeowner will not be considered under any circumstance.

With exception of items which pose an immediate health or safety risk, General Contractors must seek change order approval prior to commencing work not included in the HRAP-approved scope of work. General Contractor requests for change order after the project passes a program final inspection will not be considered.

12 Applicant Responsibilities

For HRAP to be successful in providing applicants with repair, replacement, or reconstruction awards, the applicant must participate and comply with program timeframes, directives, and requests. HRAP is a voluntary program. Applicants who do not wish to comply with all or some of the applicant responsibilities may opt to withdraw from the program at any time prior to construction start.

12.1 Flood Insurance

Section 582 of the National Flood Insurance Reform Act of 1994, as amended, *supra*, on prohibited flood disaster assistance, prohibits flood disaster assistance in certain circumstances. In general, it provides no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently having failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that ADECA may not provide disaster assistance for the repair, replacement, or restoration to a person who has failed to meet these requirements.

Section 582 of the National Flood Insurance Reform Act mandates that ADECA must inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so. The requirement to maintain flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property. A Covenant Agreement shall be executed with ADECA enforcing this requirement prior to receiving disaster assistance.

Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates that flood insurance must be purchased for any HUD-assisted property within a Special Flood Hazard Area. Therefore, assisted applicants with structures located in a Special Flood Hazard Area must obtain and

maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program.

Applicants with HRAP assisted properties located within a 100-year floodplain must submit proof of flood insurance prior to receiving keys to the assisted property. HRAP may purchase flood insurance coverage for one year following provision of program assistance.

12.1.1 Prohibition of Assistance for Lack of Flood Insurance Coverage

When a homeowner located in the 100-year floodplain allows their flood insurance policy to lapse, it is assumed that the homeowner is unable to afford insurance and/or is accepting responsibility for future flood damage to the home. Higher income homeowners who reside in a 100-year floodplain, but who failed to secure or decided to not maintain their flood insurance, should not be assisted at the expense of lower income households. To ensure that adequate recovery resources are available to assist lower income homeowners who reside in a 100-year floodplain but who are unlikely to be able to afford flood insurance, and in accordance with an alternative requirement established in 87 FR 6364, HRAP is prohibited from providing assistance for the rehabilitation/reconstruction of a house, if

- (i) the combined household income is greater than either 120 percent of AMI or the national median,
- (ii) the property was located in a 100-year floodplain at the time of the disaster, and
- (iii) the property owner did not obtain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

Owner-occupied applicants to HRAP must be at or below 80% AMI to qualify for assistance. Landlords with properties located in the 100-year floodplain are not eligible for assistance under HRAP.

12.2 Applicant Cooperation with the Program

Throughout the life of an applicant's participation in HRAP – from submission through closeout of the application – the applicant must participate and respond to requests from the program in a timely manner. At no point should a request from the program go unanswered for more than **thirty (30) days**.

HRAP will send applicants with outstanding requests from the program a Pending Action Notice to inform the applicant of the outstanding request(s). The Pending Action Notice informs the applicant that the program requires action from the applicant in order to proceed and that if the applicant does not complete the required action within **thirty (30) days**, the applicant's case will be closed. Common outstanding requests include, but are not limited to:

- **Documentation:** The program requires documentation from the applicant for multiple reasons and at multiple phases throughout the program. Not all requests for documentation are for documents an applicant must produce. Some documentation requests may be related to documents generated by the program that the applicant must sign. Applicants must submit and/or sign requested documents in a timely manner.
- **Schedule:** The program requires applicant cooperation and participation at multiple points throughout the process. Applicants must schedule and attend required appointments, inspections, or other required meetings in a timely manner. HRAP will make reasonable

attempts to coordinate schedules with homeowner availability. Applicants who refuse to schedule or attend required meetings or inspections may be sent a Pending Action Notice.

- **Homeowner Moveout:** Homeowner-Occupant Applicants are required to move out of the storm-damaged property within **thirty (30) days** of the pre-construction meeting so that construction may begin. Applicants who do not move out of the storm damaged property in a timely manner will be sent a Pending Action Notice.
- **Site Clearance:** Applicants are required to clear the construction project site of excess debris and/or personal property within thirty (30) days of the pre-construction meeting. Applicants who do clear the storm damaged property site of debris and/or personal property in a timely manner will be sent a Pending Action Notice.

Applicants who do not take the required action(s) within **thirty (30) days** of the Pending Action Notice will be closed. Applicants who require assistance, clarification, or an extension to the **thirty (30) day** timeframe to resolve a pending action must request assistance within the **thirty (30) day** window. Extensions to the **thirty (30) day** window will be considered on a case-by-case basis.

12.3 Applicant Responsiveness

The program will make reasonable attempts to contact applicants to schedule meetings, collect documentation, or obtain other information necessary. If the program has made three (3) consecutive unsuccessful attempts to contact an applicant with no follow up contact from the applicant, the applicant will be sent a Non-Responsive Notice. The Non-Responsive Notice provides contact information for the program, advises the applicant of the next steps in the application process, and notifies the applicant that he/she must contact the program or complete an action within **fourteen (14) days** of the date of the letter. If the applicant fails to contact the program or complete the action within the **fourteen (14) days** allowed, the application will be closed. Applicants who become non-responsive after construction activities have commenced may be subject to repay program funds expended on construction activities prior to the application being closed.

12.4 Temporary Relocation During Construction Activities

Properties assisted by HRAP must be vacant and empty of personal belongings during construction. Land/area surrounding the storm-damaged property must also be cleared of any debris, vehicles, derelict personal property, etc. Owner-Applicants must move out of the storm-impacted property and remove all personal belongings and derelict personal property on site within **thirty (30) days** of the pre-construction meeting. HRAP does not pay for storage of personal property or temporary lodging accommodations, as HRAP is a voluntary program.

By signing a Homeowner Grant Agreement and accepting a program award, the Owner-Applicant affirms that he/she has made arrangements for temporary housing during the construction period. Owner-Applicants who are unable or unwilling to vacate the storm damaged property and remove all personal belongings in a timely manner may be sent a Pending Action Notice. Applicants who fail to vacate the structure and remove all personal belongings within **thirty (30) days** of the Pending Action Notice will be closed.

Lawful tenants of assisted properties may qualify for relocation assistance if they must relocate during program-sponsored construction activities, as provided under the Uniform Relocation Act, and further described in the Uniform Relocation Act section of this document¹⁸.

12.5 Applicant Responsibilities During Construction

During the construction phase of the program, the applicant has several ongoing responsibilities. The construction phase begins when the homeowner-applicant signs the Homeowner Grant Agreement, and ends when the keys to the program-assisted home are presented to the homeowner. Applicant responsibilities during construction include:

- (i) Owner-Applicants must vacate the storm-damaged property and remove all personal belongings from inside the structure and the surrounding area. Costs associated with removal of belongings, storage of belongings, and temporary accommodations will not be borne by HRAP. HRAP is not responsible for any damages to or loss of belongings during construction¹⁹.
- (ii) Applicants must coordinate with assigned General Contractor to sign any required permitting documents.
- (iii) The homeowner must allow the General Contractor and HRAP representatives full access to the property. If reasonable and timely access to the property is denied by the applicant, HRAP may terminate the award and the applicant may be subject to repay any program funds expended on the project.
- (iv) The homeowner must allow inspections to be performed by HRAP representatives and municipal code inspectors. If reasonable and timely access to the property is denied by the applicant, HRAP may terminate the award and the applicant may be subject to repay any program funds expended on the project.
- (v) The homeowner must remove and/or secure any animals or pets that remain on property during construction. Animals will only be allowed to remain on property during construction if the General Contractor confirms there is sufficient space and sufficient enclosure for the animals to remain on site without interfering with construction work. If there is not enough space or if animal enclosures are not sufficient, animals must be removed from the property. HRAP will not cover costs associated with removal and/or boarding of animals during construction.
- (vi) The homeowner must not interfere with the project site. For safety reasons, homeowners must stay away from the storm-damaged property during construction.
- (vii) 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 must remove derelict personal property. The homeowner has **thirty (30) days** from the date

¹⁸ All applicants are required to disclose information about any and all tenants who reside(d) at the storm damaged property from the time of the storm through present at application intake.

¹⁹ Lawful tenants of assisted rental properties may receive relocation assistance, as provided for under the Uniform Relocation Act (URA). Please see Uniform Relocation Act section of this document.

of the pre-construction meeting to remove all such debris and derelict property from the construction site. Failure to remove such property may result in the application being closed.

- (viii) If utilities must be disconnected for construction work, applicants must arrange for utilities to be disconnected within thirty (30) days of the pre-construction meeting. Applicants must keep current on all utility bills during construction, as accounts must be current in most cases for the utility company to reconnect/reinstate services.

12.6 Compliance Period

Applicants assisted under HRAP must agree to the terms of the compliance period associated with their award. Compliance periods differ slightly for Owner-Applicants and Landlord-Applicants. ADECA will periodically monitor Owner-Applicants and Landlord-Applicants throughout the compliance period. Applicants may be asked to demonstrate that they are still in compliance at any time during the compliance period.

12.6.1 Owner-Applicant Compliance Period

Owner-Applicants assisted under HRAP for their primary residence must agree to own the program-assisted home and use the program-assisted home as their primary residence for a period of **three (3) years** after completion of construction. This compliance period is outlined in the Homeowner Grant Agreement.

If a homeowner-occupant applicant sells the home or discontinues use of the home as a primary residence within the **three (3) year** compliance period, the applicant may be subject to repay all or a portion of the grant amount. The amount of benefit that is subject to repayment if the applicant breaks the terms of the compliance period will be determined by straight-line, linear, annual amortization schedule of the grant over the three-year compliance period. The table below outlines the repayment schedule should the applicant sell the property or fail to occupy the home as a primary residence during the three (3) year compliance period.

Date of Compliance Breach	Amount of Repayment Due to ADECA
Month 0 – Month 12	100% of grant award
Month 13 – Month 24	66% of grant award
Month 25 – Month 36	33% of grant award
37 months or beyond	0% of grant award

HRAP grants forgiveness of the compliance period terms in the following extenuating circumstances:

- If the applicant dies during the compliance period, the terms of the compliance period are forgiven. Surviving family members or heirs are not responsible to uphold ownership or primary residence requirements.
- If the applicant is transferred or deployed due to military service for a period of time that would prevent him/her from upholding ownership and primary residence occupancy of the storm-

impacted home, the applicant is expected to notify ADECA of the deployment or transfer. Compliance period requirements will be forgiven upon notification by the applicant to ADECA.

- If the applicant must be moved to a permanent healthcare facility or nursing home due to health conditions, the applicant or applicant's designee is expected to notify ADECA. Compliance period requirements will be forgiven upon notification by the applicant to ADECA.
- If the applicant is incarcerated for a period of time that would prevent him/her from upholding ownership and primary residence occupancy of the storm-impacted home, the applicant or applicant's designee is expected to notify ADECA. Compliance period requirements will be forgiven upon notification by the applicant to ADECA.
- Other circumstances which are beyond the applicant's control and prevent the applicant from upholding ownership and primary residence occupancy requirements throughout the compliance period will be considered on a case-by-case basis.

12.6.2 Landlord-Applicant Compliance Period

Landlord-applicants assisted under HRAP for a rental property must agree to own the program-assisted home and rent the home at affordable rents to low- to moderate-income tenants only for a period of **five (5) years** after completion of construction. Affordable rents are rents that do not exceed the lesser of either the High HOME Rent Limits adjusted for the number of bedrooms in the unit, and location of the property or thirty percent (30%) of the adjusted gross income of household²⁰. Landlord-Applicants will be required to complete an annual compliance questionnaire to demonstrate compliance during each year of the five (5) year compliance period.

This compliance period is outlined in the Homeowner Grant Agreement. If a landlord-applicant sells the home or leases the home above affordable rates within the **five (5) year** compliance period, the applicant may be subject to repay all or a portion of the grant amount. The amount of benefit that is subject to repayment if the applicant breaks the terms of the compliance period will determined by straight-line, linear amortization schedule of the grant over the five-year compliance period. The table below outlines the repayment schedule should the applicant sell the property or fail to occupy the home as a primary residence during the five (5) year compliance period.

Date of Compliance Breach	Amount of Repayment Due to ADECA
Month 0 – Month 12	100% of grant award
Month 13 – Month 24	80% of grant award
Month 25 – Month 36	60% of grant award
Month 37 – Month 48	40% of grant award
Month 48 – Month 60	20% of grant award
61 Months or beyond	0% of grant award

²⁰ HUD updates HOME Rent limits annually. HOME rent limits are publicly available online at: <https://www.hudexchange.info/programs/home/home-rent-limits/>

HRAP grants forgiveness of the compliance period terms in the following extenuating circumstances:

- If an individual landlord applicant dies during the compliance period, the terms of the compliance period are forgiven. Surviving family members or heirs are not responsible to uphold ownership or primary residence requirements.
- If an individual landlord applicant is transferred or deployed due to military service, and such deployment makes it impossible or unduly burdensome for the applicant to continue to own or lease the HRAP-assisted property, the applicant is expected to notify ADECA of the deployment or transfer. Compliance period requirements will be forgiven upon notification by the applicant to ADECA.
- If an individual landlord applicant must be moved to a permanent healthcare facility or nursing home due to health conditions, and such change makes it impossible or unduly burdensome for the applicant to continue to own or lease the HRAP-assisted property the applicant or applicant's designee is expected to notify ADECA. Compliance period requirements will be forgiven upon notification by the applicant to ADECA.
- Other circumstances which are beyond the applicant's control and prevent the applicant from upholding ownership and lease requirements throughout the compliance period will be considered on a case-by-case basis.

12.7 Recapture

Rare instances may arise where an applicant must return all or part of the awarded funding to the Program. The Program is responsible for recapturing duplicative funds from applicants or from applicants who become non-compliant. All applicant files will be reviewed and reconciled for accuracy to ensure DOB did not occur and that applicants are in compliance with Program requirements and federal guidelines. If an applicant has been identified as receiving a potential overpayment, the Program will document the amount and basis for the repayment in writing via a Repayment Notification.

Applicants who disagree with a repayment amount determined by HRAP may appeal the determination within **thirty (30) days** of receipt of the Repayment Notification. If the applicant's request is denied or there is failure on the part of the applicant to contest within the allotted timeframe, the Program will proceed with collecting the repayment amount. If the applicant's request results in a revision of the award amount or eligibility, the applicant will sign a revised Homeowner Grant Agreement which will outline the requirements related to such changes and the requirements for repaying the remaining overdue amount, if any.

Once it has been determined that the applicant must return funds to the CDBG-DR grant fund, the applicant must repay their funds in a timely manner. All repayments shall be expected to be repaid in full as one lump sum amount. The Program will review any applicant claims of financial hardship and may make limited accommodations in some cases. All funds recovered because of this policy will be tracked in the Disaster Recovery Grant Reporting system (**DRGR**) and returned to the CDBG-DR account or U.S. Treasury if the CDBG-DR grant has been closed out.

13 Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before construction start. While voluntary withdrawal after execution of a Homeowner Grant Agreement is discouraged, as construction activities may have begun, any request to withdraw after a Homeowner Grant Agreement has been signed will be evaluated on a case-by-case basis.

Applicants may indicate a desire to withdraw to any HRAP representative. It is preferred, but not required, that an applicant who wishes to withdraw submit his/her withdrawal request in writing. After an applicant requests to withdraw, he or she will be sent a Voluntary Withdrawal Notice. The Voluntary Withdrawal Notice informs the applicant that HRAP has received his/her request to withdraw, and that the applicant has **fourteen (14) days** from the date of the letter to rescind the withdrawal request. If the applicant does not rescind the voluntary withdrawal request within the **fourteen (14) day** period, the applicant's case will be closed as withdrawn.

14 Fraud, Waste and Abuse

ADECA, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 87 FR 6364, ADECA implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

14.1 Reporting Fraud

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the CDBG-DR Internal Audit Office, directly to the OIG at HUD, or any local or federal law enforcement agency.

Any person, including any employee of the CDBG-DR Program, who suspects, witnesses, or discovers any fraud, waste, abuse, or mismanagement, relating to the CDBG-DR Program, should report it immediately to the CDBG-DR Internal Audit Office by any of the following means:

Reporting Fraud, Waste and Abuse	
Phone	877-219-9592
Internet	https://adeca.alabama.gov/fraud/

Allegations of fraud, waste or abuse can also be reported directly to the OIG by any of the following means:

Reporting Fraud, Waste and Abuse	
HUD OIG Hotline	1-800-347-3735 (Toll-Free)

	787-766-5868 (Spanish)
Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW, Washington, D.C. 20410
Email	HOTLINE@hudoig.gov
Internet	https://www.hudoig.gov/hotline

15 Complaints

Applicants may submit a complaint to the Program any time. In accordance with guidance outlined in 87 FR 6364, HRAP will provide a timely written response to every written citizen complaint. Complaints will be addressed within **fifteen (15) working days** of receipt when practicable. If a complaint cannot be addressed **within fifteen (15) working days**, HRAP will notify the complainant of the need for additional time and an estimated resolution/response timeframe.

Persons who wish to submit formal written complaints related to HRAP may do so through any of the following avenues:

- Via Email: info@HomeRecoveryAL.com
- In Writing: 1110 Montlimar Drive, Suite 299
Mobile, AL 36609

Although formal complaints must be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when it is determined that the citizen's particular circumstances do not allow the complainant to submit a written complaint. These alternate methods include, but are not limited to:

- Via telephone: 251-265-7958
- In person at any HRAP service center

16 Appeals

Applicants who wish to contest a Program determination may request an initial appeal directly with the Program by submitting a written request via electronic or postal mail within **thirty (30) calendar days** from the date of the determination being contested. Applicants may request an appeal to contest:

- Eligibility determination;
- Duplication of Benefits Gap determination;
- Award Type Determination;
- Program Scope of Work; or
- Recapture Amount.

Persons who wish to request an initial appeal related to HRAP may do so through any of the following avenues:

- Via the web portal at www.HomeRecoveryAL.com

- Via Email: info@HomeRecoveryAL.com
- In Writing: 1110 Montlimar Drive, Suite 299
Mobile, AL 36609

The HRAP Appeals Coordinator will conduct an initial review using the request and supporting information submitted by the applicant and make a determination. When practicable, the determination will be made within ten (10) business days. Applicants will be notified in writing of the determination made on their initial appeal via an Initial Appeal Determination Notification.

If the applicant believes that the Initial Appeal determination was made in error, the applicant may request a Secondary Appeal directly with the ADECA Appeals Coordinator within **fifteen (15) calendar days** of the date of the Initial Appeal Determination Notification. A written determination of the secondary review will be made and issued within ten (10) business days when practicable. Applicants will be notified in writing of the determination made on their appeal.

All appeal determinations made by ADECA are final with no further administrative review and are not subject to judicial review.

An applicant cannot appeal program policies, federal regulations, or state statutes. Appeals filed based on these reasons will be denied.

Persons who wish to request a Secondary Appeal related to HRAP may do so through any of the following avenues:

- Via Email: **DisasterRecovery@adeca.alabama.gov**
- In Writing: **Attention: HRAP Appeals
Alabama Department of Economic and Community Affairs
401 Adams Ave
P.O. Box 5690
CED Division, Suite 500
Montgomery, AL 36093-5690**

An applicant can withdraw the request for appeal at any time by providing written notice to ADECA of this decision. Such a written notice must be delivered to ADECA at the address(s) referenced above.

Program requirements established by ADECA and approved by HUD as dictated by law may not be waived or abrogated.

Applicants who choose to file a request for appeal are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their petition. In adjudication of the appeal, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the appeal.

17 Exceptions to Program Policies

The HRAP Guidelines set forth the policy governing the program and approved HRAP Standard Operating Procedures set forth the procedures by which policy will be enacted. The Guidelines and the SOPs are intended to guide program activities and enforce compliance with applicable federal regulations. While Program Guidelines and SOPs govern the program, neither should be considered exhaustive instructions for every potential scenario that may be encountered by the program. At times, exception to program policies and/or procedures may be warranted. All exception requests are reviewed and adjudicated on a case-by-case basis as need arises, at the sole discretion of ADECA. Exceptions may be granted to program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

18 Uniform Relocation Act (URA)

As a HUD-assisted program, and in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 U.S.C. § 4601 et seq., and the government wide implementing regulations found at 49 C.F.R. part 24, all programs in the ADECA CDBG-DR recovery portfolio, including HRAP, are subject to URA regulations.

Owner/Occupant-Applicants who must relocate from their hurricane-impacted property temporarily for construction activities associated with acceptance of a repair, reconstruction or replacement award are not considered displaced persons, (see 49 C.F.R § 24.2(a)(9)(ii)(E) or (H)) and as such, are not entitled to relocation assistance benefits under URA.

However, lawful tenants of program-assisted properties who must relocate due to program-sponsored construction activities may be considered displaced persons by URA regulations and may be eligible for URA relocation assistance benefits. **URA guidelines as related to HRAP are included as Appendix B herein.**

19 ADECA Administrative Policies

As a recipient of CDBG-DR funds, there are several policies, procedures, and regulations which apply to all programs, projects, and initiatives undertaken as part of ADECA's CDBG-DR grant. These policies and procedures are outlined in the ADECA CDBG-DR Administrative Manual. This Administrative Manual covers topics such as: financial management, fair housing, conflicts of interest, recordkeeping, and others. The requirements described in the ADECA CDBG-DR Administrative manual apply to all programs outlined in the State of Alabama Action Plan for Disaster Recovery and any amendments thereto, including HRAP.

20 Closeout

Owner/Occupant applications will be closed upon completion of construction work and upon returning the keys to the program-assisted property to the homeowner. Rental property applications will be closed upon completion of construction work, return of keys to the program-assisted property to the landlord/applicant, and confirmation that the home has been leased to a low- to moderate-income household.

HRAP Program staff will perform a complete review of the application file to ensure all necessary documentation is present and to ensure that the case is ready for closeout. By the time a case reaches closeout, the case has undergone several QC checkpoints and various approvals at specific stages. Because the case has undergone such extensive quality control throughout each stage of the program process, closeout review is intended to provide a completeness review of each individual application; rather than a comprehensive quality control review of each step.

When all quality control review levels have been approved, the applicant will be sent a Final Notice from the Program, informing the applicant that his/her case has been closed and reminding the applicant of compliance period requirements.

[END PROGRAM GUIDELINES]



Appendix A – 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.

ADECA: Alabama Department of Economic and Community Affairs; the grantee and administering entity for CDBG-DR funds allocated to the State of Alabama for recovery from Hurricanes Sally and Zeta, both of which made landfall in Alabama in 2020.

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).

Applicant: Any individual who applies for assistance to the Home Recovery Alabama Program

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 properties 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.

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

Damage Assessment: The initial program inspection of a structure damaged by Hurricane Sally or Zeta in which all damage repaired at the time, and damage still to be repaired are officially documented in an estimating software that allows for standard 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 HRAP.

Duplication of Benefits: A duplication of benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need.

Duplication of Benefits (DOB) Gap: DOB Gap is the total amount of excludable and non-excludable benefits received less the dollar amount of excluded benefits (excludable benefits).

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. For HUD purposes, applicable requirements are found at 24 CFR 58.

Estimated Cost to Repair (ECR): An ECR is used to verify damage 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.

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.

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.

Floodway: A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community must review floodplain development on a case-by-case basis to ensure that increases in water surface elevations do not occur or identify the need to adopt a floodway if adequate information is available.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single-family, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

HUD: United States Department of Housing and Urban Development.

Landlord-Applicant: An individual who applies to HRAP for assistance with a rental property.

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.

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.

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 Mobile, Clarke, Baldwin, Escambia, Dallas, Marengo, Wilcox, Perry, and Washington counties.

Multifamily: Residential structures containing five or more units or multifamily residential structures located on adjacent lots. Multifamily structures are not eligible under these Guidelines.

Owner-Applicant: An individual who applies to HRAP for assistance with his/her primary residence

Qualifying Storms: Hurricane Sally or Hurricane Zeta

Second Home: Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for assistance through HRAP. 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. Additionally, seasonal, short-term and vacation rental properties are not eligible for assistance.

Single Family Residence: Residential structures containing one (1) to four (4) dwelling units

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

Xactimate: A residential estimating software that is used to standardize estimates for construction costs.



Appendix B: Uniform Relocation Act (URA) Policies

1 Overview

Every project funded in part or entirely by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD)²¹.

The implementing regulations for URA are at 49 C.F.R. Part 24. The regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 CFR 570.488 and 24 C.F.R. § 570.606. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

HRAP does not provide for acquisition of real property with federal funds. However, persons may be displaced temporarily in order for program-sponsored repair, reconstruction, or mobile home replacement work to take place. As such, this policy focuses on URA regulations and policies as related to displaced persons and *temporary* relocation assistance. Persons who are displaced as a result of program sponsored construction activities and who qualify as displaced persons are entitled to assistance as provided under URA. Owner-Applicants who must temporarily vacate their storm-damaged property are not considered displaced persons under 49 CFR § 24.2 and thus not entitled to assistance under URA.

2 Waivers and Alternate Requirements

87 FR 6364 provides waivers and alternative requirements to select provisions of the URA. HUD extended these waivers and alternate requirements to funds allocated to Alabama under Federal Register Notice Vol. 87, No. 100 (87 FR 31636). Relevant waivers and alternative requirements are summarized below.

2.1 One-for-One Replacement

One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and 104(d)(3) of the HCDA and 24 CFR 42.375 are waived for owner-occupied lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement housing requirements apply to occupied and vacant occupiable lower-income dwelling units demolished or converted in connection with a CDBG assisted activity. This waiver exempts all disaster-damaged owner-occupied lower-income dwelling units that meet the definition of “not suitable for rehabilitation,” from the one-for-one replacement housing requirements of 24 CFR 42.375.

²¹ HUD has issued alternate requirements to URA regulations for ADECA's CDBG-DR grant in Federal Register Volume 87, Number 23; Published Thursday, February 3, 2022 (887 FR 6364)

Tenant-occupied and vacant occupiable lower-income dwelling units demolished or converted to another use other than lower-income housing in connection with a CDBG–DR assisted activity are generally subject to one-for-one replacement requirements at 24 CFR 42.375 and these provisions are not waived.

2.2 Section 104(d) Relocation Assistance

The relocation assistance requirements at section 104(d)(2)(A)(iii) and (B) of the HCDA and 24 CFR 42.350, are waived to the extent that an eligible displaced person, as defined under 24 CFR 42.305 of the section 104(d) implementing regulations, may choose to receive either assistance under the URA and implementing regulations at 49 CFR part 24, or assistance under section 104(d) and implementing regulations at 24 CFR 42.350. This limited waiver of the section 104(d) relocation assistance requirements assures uniform and equitable treatment for individuals eligible to receive benefits under Section 104(d) by establishing that all forms of relocation assistance to those individuals must be in the amounts and for the types of assistance provided to displaced persons under URA requirements.

2.3 URA Replacement Payments for Tenants

The requirements of sections 204 and 205 of the URA (42 U.S.C. 4624 and 42 U.S.C. 4625), and 49 CFR 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee’s replacement housing payment obligation to a displaced tenant by offering rental housing through a rental housing program subsidy (to include, but not limited to, a housing choice voucher), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the program and the period of authorized assistance is at least 42 months.

If assistance is provided through a HUD program, it is subject to the applicable HUD program requirements, including the requirement that the tenant must be eligible for the rental housing program.

2.4 Displacement Due to a Major Disaster

Section 414 of the Stafford Act (42 U.S.C. 5181) provides that “Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91–646) [42 U.S.C. 4601 et seq.] [“URA”] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by [the URA].”

Section 414 of the Stafford Act and its implementing regulation at 49 CFR 24.403(d)(1) are waived to the extent that they would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG–DR funded project commencing more than one year after the date of the latest applicable Presidentially declared disaster (for HRAP, Hurricane Zeta), provided that the project was not planned, approved, or otherwise underway before the disaster.

For purposes of this waiver, a CDBG–DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved Request for Release of Funds and certification; (2) the date of completion of the site-specific review when a program utilizes Tiering; or (3) the date of sign-off by the approving official when a project converts to exempt under 24 CFR 58.34(a)(12).

HRAP used Tiering and no site-specific reviews were completed within one (1) year of Hurricane Zeta. As such, it is anticipated that the waiver of Section 414 of the Stafford Act and its implementing regulation at 49 CFR 24.403(d)(1) applies to all applicants to HRAP.

3 General Relocation Requirements

Anyone who meets the URA definition of a “displaced person” must be fully informed of their rights and entitlements to relocation assistance and payments provided under the URA. HRAP will ensure that URA relocation requirements are met for any projects which cause displacement. These requirements include, but are not limited to:

- Provision of written notifications to displaced persons that inform them about potential future displacement, eligibility, and actions to be taken during the implementation of a displacing project;
- Identification of comparable dwellings or sites to those from which persons are displaced sufficiently prior to their displacement;
- Engagement in relocation planning that identifies the extent of potential displacement and needs to minimize impacts of displacement to the extent possible; and
- Provision of relocation services and assistance payments based on individual needs and entitlements as afforded by URA and HCDA regulations.

It is anticipated that all relocation of displaced persons caused by construction activities undertaken by HRAP will qualify as temporary relocation. Temporary relocation should not extend beyond **one (1) year** before the person is returned to his or her previous unit or location.

3.1 URA Notifications

Displaced persons or potentially displaced persons will receive the following notifications. The specific notifications received by each person may vary, depending on the displaced person’s situation and eligibility. Each notice includes contact information of a person who can answer questions or provide assistance to the displaced person. Persons who are unable to read or understand the notifications will be provided with appropriate translation, interpretation, or other accessibility services.

Certain notices described in this part require **delivery with certification** as indicated below, meaning that they are personally served or sent by certified first-class mail, with return receipt requested. Recipients of notices that are personally served will be asked to sign an acknowledgement of receipt.

3.1.1 General Information Notice (GIN)

As soon as feasible, a General Information Notice (GIN) is issued to potentially displaced persons and landlords of properties where potentially displaced persons reside. For HRAP, this notice is sent as soon as application intake is complete, if a tenant is listed on the application.

The GIN discloses to all potentially displaced persons that HRAP may provide assistance, via federal funding subject to URA, to support the rehabilitation, reconstruction, or replacement of the property they occupy. The GIN outlines the basic requirements to be eligible for URA protections, the relocation assistance they may be eligible for, and the procedures for obtaining the payment(s). It also provides information about the reasonable relocation advisory services available to help the displaced person successfully relocate.

The GIN advises households NOT to relocate until advised to do so by ADECA. The GIN advises households that they will not be required to move without at least **ninety (90) days** advance written notice for permanently displaced persons or without at least **thirty (30) days** advance written notice for temporary relocation, as well as being provided with at least one (1) comparable dwelling. Persons that relocate after receiving a GIN but before receipt of one of these notices are considered to have moved voluntarily and for reasons other than Program funded activities, making them not displaced persons.

The GIN informs the displaced person that any person who is an alien not lawfully present in the United States is ineligible for relocation assistance unless such ineligibility would cause undue hardship to a qualifying spouse, parent, or child. Finally, the GIN provides information about the person's right to appeal an Agency determination as to a person's application for assistance for which a person may be eligible.

3.1.2 Notice of Non-Displacement – No Relocation Required

Households that received a GIN that will not need to relocate to complete Agency activities are provided a Notice of Non-Displacement – No Relocation Required. Every effort is made to provide the Notice in a timely manner following the review and approval of the Program activities. Once provided with a Notice of Non-Displacement – No Relocation Required, a household is determined to not qualify for URA assistance unless the Program activities are significantly altered. Circumstances that would prompt notice of non-displacement no relocation required may be that program construction activities do not occur or that the tenant can stay on property while repairs are being made.

3.1.3 Notice of Non-Displacement – Temporary Relocation Required

All households receiving a GIN that will need to relocate for periods up to **twelve (12) months** to complete HRAP construction activities are provided a Notice of Non-Displacement – Temporary Relocation Required. It is anticipated that all relocation required under HRAP will qualify as temporary relocation. However, each case will be evaluated to confirm the need for temporary vs. permanent displacement, in accordance with URA regulations.

3.1.4 Notice of Eligibility – Temporary Relocation

A Notice of Eligibility (NOE) should be provided immediately following formal commitment of CDBG-DR funding to a project. For HRAP, this occurs upon signature of the Homeowner Grant Agreement. Eligibility is based on the determination that a person will qualify as a displaced person and satisfies the URA eligibility requirements outlined in this document.

The NOE informs the tenant that the relocation period will not exceed **twelve (12) months**. In addition, it notifies eligible households of their entitlements for relocation advisory services, moving costs, and rental assistance. The household must also be provided at least one (1) comparable replacement dwelling available to them. This comparable dwelling will determine the maximum rental assistance for the household. Also, the displaced person(s) will be informed that he/she/they will receive a notice indicating, at least **thirty (30) days** in advance, the specific date by which they must move.

3.1.5 Thirty (30) Day Notice

Tenant households who must temporarily relocate due to HRAP construction activities are provided a minimum of **thirty (30) day** notice of the date by which they must vacate to allow Program activities to

continue. HRAP Applicants may not knowingly create an emergency situation (disconnecting utilities, restricting access and egress with construction staging, etc.) requiring households to vacate with less than **thirty (30) days** written notice.

Temporarily displaced tenant households may choose to relocate at any point after receipt of the Thirty (30) day notice; up to the relocation date provided by the notice with no loss of URA eligibility.

If project plans are delayed, HRAP may provide a revised Thirty (30) Day Notice to impacted households with a new relocation date. If households have been unable to secure temporary relocation housing with the Program's assistance by the relocation date, the project activities must be delayed until suitable housing can be secured.

3.2 Temporary Relocation

The URA regulation at 49 C.F.R. § 24.2(a)(9)(ii)(D), Appendix A provides general guidance for assistance to tenant-occupants who are not required to relocate permanently due to federally assisted projects involving the acquisition, rehabilitation, or demolition of apartments, homes, commercial buildings, etc., which could allow for a quick return for the original occupants. HUD expands on the requirements regarding temporary relocation at section 2-7 of HUD Handbook 1378.0, Chapter 2. Together, these requirements effectively create an "exemption" from certain URA requirements by establishing how the project owner can avoid creating "displaced persons."

Relocation is considered temporary when the displaced household must relocate for no more than **twelve (12) months**. Any residential tenant who has been temporarily relocated for a period beyond **twelve (12) months** will be offered permanent relocation assistance. This assistance would be in addition to any assistance the person has already received for temporary relocation and may not be reduced by the amount of any temporary relocation assistance.

3.2.1 Eligible Expenses

ADECA will reimburse temporarily relocated tenant households for all reasonable out-of-pocket expenses incurred in connection with the relocation. The temporarily displaced household is responsible for submitting applicable source documentation to support costs incurred and receive reimbursement. In addition, the household must provide proof of occupancy, or intent to occupy, a decent, safe, and sanitary dwelling adequately sized to accommodate all occupants.

3.2.1.1 Increased Housing Costs

URA assistance pays the difference between the actual rent plus utility costs incurred at the temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. Actual rent costs are capped based on the costs of comparable replacement dwellings available at the time of relocation and appropriate to the length of relocation anticipated. Where a household receives a monthly housing subsidy, the amount of the subsidy is subtracted from the contract rent amount when determining the increased housing cost. Housing costs should be capped at thirty percent (30%) of household income for low to moderate income households when calculating URA housing assistance.

For relocations of less than one (1) month, the increased housing cost is pro-rated by the number of days relocated. In the event a household relocates to a hotel or other similar accommodation, hotel costs must be necessary and reasonable for the area in which they are located.

3.2.1.2 Moving Costs

The actual moving costs incurred by the household to move to the temporary unit and return to the displacement dwelling are eligible under a temporary relocation. Moving costs must be necessary and reasonable to be reimbursed. Households are encouraged to use an insured, licensed mover to limit the liability of property lost, stolen, or damaged in the process of moving. The Program additionally pays reasonable, actual costs incurred for moving supplies to support self-moves or commercial moves.

ADECA may request three (3) quotes from professional moving companies to establish a maximum eligible cost for a commercial move. Temporarily relocated households are required to submit moving cost estimates for approval prior to the move. Failure to submit an estimate ahead of time may result in the resident not being fully reimbursed. Tenants will be reimbursed the approved cost incurred of commercial, licensed, and bonded movers.

Tenants who opt to perform a self-move may receive reimbursement of actual costs incurred to complete the move. Self-moving expenses may include packing supplies, equipment rental fees, and reasonable transportation costs.

3.2.2 Ineligible Expenses

Program Applicants are not eligible to receive any payments under URA for the assisted property. This includes compensation for lost rental income during the relocation period. Relocated households are not entitled to payment for any of the following expenses:

- The cost of moving any structure or other real property improvement to the displacement dwelling in which the household reserved ownership;
- Interest on a loan to cover moving expenses;
- Personal injury;
- Any legal fee or other cost for preparing or representing a claimant for a claim for a relocation payment;
- Expenses for searching for a replacement dwelling other than fees charged by a licensed real estate broker; and
- Costs for storage of personal property on real property already owned or leased by the household.

3.3 Relocation Duration and Return Home

Estimated duration a temporarily displaced household will be displaced may vary based on the construction activities being undertaken by HRAP. Regardless of the estimated duration, temporary relocation assistance will be provided until program sponsored activities are complete and the displacement dwelling has been returned to a decent, safe, and sanitary condition. Property owners may not collect rent for the displacement dwelling from temporarily relocated tenants during the period when the household is displaced.

When program activities are complete, the displaced household will be informed via a Return Home Notice. The Return Home Notice provides the displaced household with **thirty (30) days** to return to the displacement dwelling. The Return Home Notice is sent via Certified Mail or personally delivered.

Property owners are required to grant relocated households new occupancy agreements upon return for a period not less than **twelve (12) months**. The occupancy terms, including cost and all pre-relocation amenities, must be unchanged from the pre-relocation terms throughout the **twelve (12) month** return period. Households must be allowed the opportunity to replace non-returning household members in order to maintain the pre-relocation household size; however, the Applicant and/or authorized property representative retains the right to evaluate and assess any proposed new occupants according to applicable State and local laws.

If the temporarily relocated household elects not to return to the displacement dwelling or fails to negotiate return occupancy terms by the communicated return home date through no fault of the Applicant or Project Owner, the dwelling may be advertised for occupancy at market rates without Agency restrictions.

4 URA Appeals

Households may appeal HRAP or ADECA decisions with respect to URA eligibility, services, and/or payments. The applicant must appeal within **sixty (60) days** of receiving a written determination from the program outlining the program's decision related to his or her eligibility for benefits, amount of benefits, or timeframe to exercise rights and entitlements of the URA. Additionally, households may appeal to allege deficiencies in the Agency's relocation assistance advisory services as defined in 49 C.F.R. § 24.205(c) and the Agency's governing documents. Acceptance of Agency services and/or payments does not limit a household's right to appeal.

Households are encouraged to include any statement of fact or other material which they feel has a bearing on the appeal. Agency representatives may assist households in their appeal submission.

Appeals must be submitted within **sixty (60) days** of the date the person receives notification of ADECA's decision regarding his or her claim and must be directed to ADECA in writing at:

- Email: info@HomeRecoveryAL.com
- Postal Mail: **Attention: HRAP Appeals**
Alabama Department of Economic and Community Affairs
401 Adams Ave
P.O. Box 5690
CED Division, Suite 500
Montgomery, AL 36093-5690

[END HRAP URA GUIDELINES]