ReBUILD NC

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CDBG-DR Homeowner Recovery Program Manual

State of North Carolina

For CDBG-DR Funds

(Public Law 114-254, Public Law 115-31, Public Law 115-124, Public Law 116-20)

N★C DPS DEPARTMENT OF PUBLIC SAFETY PREVENT. PROTECT. PREPARE.

NCORR NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

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Policy Revision History

Version	Date	Description
No. 1	11.2017	Initial Development of Policy.
No. 2	12.11.2017	Updated in Response to comments received from State.
No. 3	9.6.2017	Significant revisions include reformatting Program Summary Table; Corrected terminology/naming convention; Homeowner Grant Agreement and Covenant, removed promissory note and deed of trust; Ownership review; Income eligibility clarification (Reimbursement for Completed Repairs is capped at 120% AMI); Reimbursement verification and Xactimate language added; Adjustment to pre-storm value calculation; Clarification on change order process; Clarification on Green Building Standards and flood insurance requirements; Updates to mold, lead- based paint, and asbestos requirements; Removed section on Procurement of Contractor; Removed interim rental assistance for mobile homes; updated Appeals process; Edits to residential anti-displacement and URA sections, including *NCORR URA Standard Operating Procedures and Optional Relocation Policy;* Clarification on Buyout/Acquisition eligibility, program requirements, and income verification; Small Rental Repair Program maximum award and clarification regarding eligibility and owner occupancy; Edits to Multi- Family Rental Housing program; Edits to Housing Assistance Program.
No. 4	11.2.2018	Major Re-Write based on Policy Meeting with NCORR and DOC to consider Contractor Recommendations. Extension of Reimbursement Deadline to September 14, 2018.
	01.14.2019	In addition, the Housing Manual was revised to incorporate increased program caps for assistance and method of determining construction intent as approved in Substantial Amendment 3 to the Action Plan.
	02.08.2019	Added Ownership Affidavit as an option to applicants.
	04.04.2019	Revised determination of construction intent to be based upon pre-storm value. Added triple-wide manufactured homes as an eligible structure type for funding. Added stop-work "Construction Notice" and receipt form to the Appendices. Modified the 3rd. level of appeals to include the DPS Secretary. Modified the applicant involuntary withdrawal process.
No. 5	04.03.2020	CCB # 23 05/16/19 Policy modified to remove overhead and profit (O&P) from the Damage Repair Verification (DRV) Estimate and the award calculation for applicant reimbursement effective January 24, 2019.
		CCB # 20 05/24/19 Updated policy to defined allowable "emergency repairs" that can be completed during "stop work" period and will not trigger an ineligibility determination. CCB # 22 05/24/19 Updated policy to provide Optional Elevation to homeowners outside of 100-year floodplain who sustained six inches of water as a result of Hurricane Matthew and are substantially damaged. CCB # 24 05/24/19 Established methodology to determine floorplans to be offered to applicants requiring reconstruction and the determination of Program award caps based on floorplan and square foot cost cap.

		Update for approval of new MID Counties. Update for Application deadline.
		Update for NCORR as Grantee (Section 0.1)
		Update for changed Method of Distribution CCB #25 07/26/19 Revised DOB Policy to follow 84 FR 28836 June 2019 Duplication of Benefits Notice and 84 FR 28848 (June 2019 Duplication of Benefits Implementation Notice. (treatment of SBA or Subsidized Loans as DOB)
		CCB #26 08/20/19Clarification of home-based business exclusively dedicated space as ineligible for assistance. CCG #27 08/20/19 Defined total heated square footage of damaged home for determining eligible floorplans for reconstruction and total under roof square footage for determining award cap. CCB #28 08/20/19 Clarification of receipt review for Appeals of Reimbursement in determination of scope adjustment. CCB #29 08/20/19 Eliminated option to replace manufactured home with a modular home. Established that applicants electing to replace manufactured home with a stick-built home will need to provide financing for the difference in the higher cost of the stick-built home and the manufactured home replacement cap. CCB #30 08/20/19 Clarified timing of Emergency Repairs CCB #31 08/20/19 Eliminated Flood Insurance Requirement for applicants electing to accept Optional Elevation.
		Updated Name “Single Family Homeowner Recovery Program” to be consistent with Action Plan Clarification multiple areas: Eligibility requirement to have maintained flood insurance at time of the storm if the applicant had previously received disaster assistance for the property which required obtaining and maintaining flood insurance. Added or expanded language in following sections: Section 0.11 Compliance and Monitoring; Section 0.13 Complaints and Appeals; 1.3.2 Involuntary Withdrawal; 1.6 Fair Housing and Program Marketing Sections 1.1.3.1 and 1.1.3.2 Intake Notifications, and added clarification. Section 2.0 Eligibility Review – Reorganized to reduce duplicative language. Section 6.1 Selection of General Contractor Pool, Section 6.4 General Contractor Responsibilities, Section 6.7 General Contractor Performance Review, Section 7.3 Progress Payments – modified to reflect Construction Standard Operating Procedures v 3.0. Appendix –eliminated appendices, updated text to include link to on-line forms or to refer to separate policy which will contain most recent forms. Also eliminated SBA Hardship Request forms as they are no longer needed.
		HRP CCB #32 09/27/19 Adjustment of the Elevation Program Cap HRP CCB #33 09/27/19 Clarification of the Rehabilitation Assistance Minimum ($1,000) HRP CCB #34 11/25/19 Manufactured Housing Unit (MHU) Replacement Minimum Build Standards and Standardized Sizes

		HRP CCB #35 11/25/19 Manufactured Housing Unit (MHU) Award Cap, Clarification of cost included in caps for MHU Replacements and Increase MHU Replacement Assistance Cap for Americans with Disabilities Act (ADA) Compliant Units. URA_TRA CCB #1 11/26/19 Clarification of Temporary Relocation Assistance (TRA) Eligibility Requirements. HRP CCB #36 02/06/2020 Clarification of Elevation Requirements HRP CCB #37 02/07/2020 Ownership Definition Clarification HRP CCB #34a 2/20/2020 Manufactured Housing Unit Replacement Minimum Build Standards and Standardized Sizes HRP CCB #38 2/20/2020 Remove Requirement for Proof of Homeowner's Insurance at Project Closeout HRP CCB #39 Verification of Homeowner Status of Ad Valorem Property Tax and Special Assessment 3/05/2020 HRP CCB #40 Verification of Homeowner Mortgage Status 03/05/2020 HRP CCB #41 Temporary Relocation Assistance Adjustments 03/05/2020 03/13/2020 Lead Based Paint – changed role responsible for including LBP Abatement to Risk Assessor. Replace 8 Step charts to new charts reflecting construction activities in Step 7 Broaden green building standard requirements Adjust reimbursement requirements to 80% AMI or demonstration of hardship Expand eligibility criteria to cover new applicant intake in 2020 and for Hurricane Florence HRP CCB # 42 03/05/2020 Elevation of MHU on Leased Land HRP CCB # 43 04/01/2020 Not Suitable for Rehabilitation HRP CCB #44 04/01/2020 Escrow Credit for Reconstruction and MHU Replacement HRP CCB #45 04/01/2020 Qualifying Event as Basis for Verification of Benefits HRP CCB #46 04/17/2020 Parties to the Construction Contract for Residential Construction HRP CCB #47 04/30/2020 Income Eligibility Threshold HRP CCB #48 06/04/2020 Award Cap Language Changes

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PROGRAM OVERVIEW

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ReBUILD NC Homeowner Recovery Process Roles

1 APPLICATION

Applicant Role
- Make appointment
- Complete application
- Provide required documents

ReBuild NC will
- Verify application is complete and signed
- Verify all required documents have been received

2 ELIGIBILITY REVIEW

Applicant Role
- Provide any additional documents (if needed)

ReBuild NC will
- Verify primary and lawful residence
- Verify occupancy and storm damage
- Verify home not in foreclosure
- Verify property taxes are current
- Verify household income

3 DUPLICATION CHECK

Applicant Role
- Notify ReBuild NC of disaster assistance already provided

ReBuild NC will
- Determine total disaster assistance already provided
- Verify use of funds

4 INSPECTION AND ENVIRONMENTAL REVIEW

Applicant Role
- Have adult member of household home during inspection
- Sign forms once inspection is completed

ReBuild NC will
- Coordinate with applicant to inspect damaged home
- Verify completed repairs and remaining damage
- Complete environmental review
- Complete lead-based paint and asbestos inspections
- Develop scope of work and cost estimate

5 GRANT DETERMINATION

Applicant Role
- Make appointment to review grant award
- Sign documents to finalize grant offer

ReBuild NC will
- Determine applicant award amount
- Prepare documents for applicant signature
- Sign documents with applicant

6 CONTRACTOR SELECTION

Applicant Role
- Schedule walk-through for contractor if needed
- Make appointment to sign contract agreement

ReBuild NC will
- Bid scope of work
- Finalize construction agreement with contractor and homeowner
- Request any missing documents from homeowner
- Ensure homeowner has temporary housing (if applicable)

7 CONSTRUCTION

Applicant Role
- Verify work is completed
- Have final walk-through with contractor and ReBuild NC staff
- Sign Final Construction Documents
- Secure flood insurance (if required)

ReBuild NC will
- Oversee construction work
- Inspect progress
- Verify change orders
- Ensure home meets HUD standards
- Verify construction is complete
- Receive final billing and lien releases from contractor
- Schedule and attend final walk-through with homeowner

8 COMPLETION

Applicant Role
- Provide final verification of ownership and occupancy at project closeout
- Provide updated duplication of benefits information (if necessary)
- Provide proof of flood insurance for period of one year beyond project completion (if required)
- Sign amended grant agreement (if required)

ReBuild NC will
- Document ownership and occupancy at closeout
- Conduct final duplication of benefits review
- Verify flood insurance (if required)
- Reconcile and document total project costs
- Notify lienholder of project completion

0.0 Program Overview

The *ReBuild NC Homeowner Recovery Program Manual* establishes program policies and procedures for all components of the Single-Family Homeowner Recovery Programs based on the State's Action Plans and subsequent amendments approved by the U.S. Department of Housing and Urban Development (HUD). The Action Plans and amendments can be found on the State's recovery website at https://rebuild.nc.gov/action-plans. This manual is designed to provide guidance to the state, its sub-recipients, and vendors directly involved in the delivery of housing assistance to storm survivors. In addition, this manual is intended to serve as a resource for affected North Carolina residents and other parties interested in understanding how the Program works from the application for assistance to program close out.

The term "Homeowner Recovery Programs" collectively refers to all forms of assistance that are available to eligible applicants as part of the ReBuild NC (also known as RBNC) Programs, including:

- Rehabilitation,
- Reconstruction,
- Manufactured Home Unit (MHU) Repair and Replacement Program,
- Reimbursement,
- Temporary Relocation Assistance (TRA), and
- Flood Insurance Assistance (FIA)

Other programs addressed in the State's Action Plan – such as Strategic Buyout, Public Housing Restoration, Small Rental Repair, Resilient Infrastructure Recovery, among others are addressed in separate manuals.

For ease of use, the manual is organized into chapters that correspond to the 8-step process that individual applicants follow in the program from application intake to project completion and closeout.

0.1 Program Description

All components of the Homeowner Recovery Program are intended to assist eligible North Carolina residents whose primary residences were directly impacted by Hurricane Matthew on October 8, 2016 and/or Hurricane Florence on September 14, 2018. HUD appropriated $236,529,000 in Community Development Block Grant for Disaster Recovery (CDBG-DR) funding to North Carolina. The allocations were appropriated under HUD's Federal Register published on January 18, 2017 at 82 FR 5591, and on August 7, 2017 at 82 FR 36812. These funding notices incorporate a prior Federal Register Notice published on November 21, 2016 at 81 FR 83254 (prior notice), which set forth specific program requirements, waivers, and alternative requirements. Federal Register Notices allocating Hurricane Florence funds are found at 85 FR 4681 and prior notices at 83 FR 5844 and 83 FR 40314. Where program requirements are different between events, those differences are noted. The most common point of reference for differences in the manual is the time of application intake. NCORR closed

applications for assistance in summer 2019. In 2020, applications were reopened with new requirements, including award amounts and thresholds, adjusted definitions, and new eligibility requirements. These changes are noted throughout. Some requirements also apply to Hurricane Florence recovery only, rather than the time the application was taken. Future allocations may also rely on this guidance for implementation, at the discretion of the State.

North Carolina's objective, through its Homeowner Recovery Programs, is to complete the necessary work to make a homeowner's primary residence up to the Housing Quality Standards (HQS) as set forth by HUD, improve resiliency and, where necessary, to reconstruct damaged homes when repairs are not feasible. The programs are intended to supplement other funds the owner has received to repair or reconstruct the residence directly damaged by Hurricane Matthew and/or Hurricane Florence.

Prior to July 1, 2019, The North Carolina Department of Commerce (NCDOC) participated in a Grantee relationship with HUD for the receipt of CDBG-DR funds. However, the North Carolina Office of Recovery and Resiliency (NCORR) was sub granted CDBG-DR funds and had been administering programs in the role of sub-grantee on behalf of NCDOC. Effective July 1, 2019, NCORR has assumed Grantee responsibilities and has entered into a Grantee relationship with HUD. Therefore, throughout this policy document references to the Grantee are now construed to refer to NCORR.

Subject to further detail provided herein, along with contractor-implemented standard operating procedures, the Homeowner Recovery Programs will be administered by NCORR and its contractors. At a general level, the programs will be administered through NCORR-approved processes; including but not limited to strategic communications/outreach, application intake, eligibility review, income verification and calculation, duplication of benefits (DOB) determinations, environmental reviews and damage inspections, verification of benefits (i.e., quality assurance and quality control [QA/QC]), grant award calculation, signing of the grant agreement, and CDBG-DR funds disbursement.

Should NCORR elect to enter into a sub-recipient agreement with one or multiple counties or municipalities for the direct implementation and administration of any or all of the Homeowner Recovery Programs, the sub-recipient county or municipality shall be responsible for, in addition to direct program administration, compliance and adherence with these program policies and all applicable CDBG-DR, state or local laws, rules and regulations, subject to monitoring and oversight by NCORR.

0.2 Meeting National Objectives

In addition to program policies being consistent with HUD-approved Action Plans, all of the state's CDBG-DR funded recovery activities must meet one of the three National Objectives as required under the authorizing statute of the CDBG Program:

- Benefit to low-and moderate-income (LMI) persons;

- Aid in the prevention or elimination of slums or blight (Slum and Blight); or
- Meet a need having a particular urgency (Urgent Need).

Under program rules, 70% of disbursed funds must be provided to LMI households. Therefore, the primary objective of the Homeowner Recovery Programs is to meet the LMI national objective. Applicants that meet the LMI national objective must provide documentation that their total household income does not exceed 80% of the area median income (AMI), as defined by HUD. Applicants with total household income over 80% of AMI may be eligible for activities that satisfy the Urgent Need National Objective.

0.3 Eligible Activities and Structure Types

Approved activities must also qualify as a CDBG-DR eligible activity and must be directly related to storm damages resulting from Hurricane Matthew and/or Hurricane Florence. All housing recovery activities authorized by and contemplated by the Action Plan and programs detailed therein are eligible for CDBG-DR assistance pursuant to Sections 105(a)(2), 105(a)(16), 105(a)(18), 105(a)(20), 105(a)(24) and 105(a)(25) of the *Housing and Community Development Act of 1974*; 42 United States Code (U.S.C.) §5305(a)(4); 24 Code of Federal Regulations (CFR) § 570.200(h); and 24 CFR § 570.202.

These activities include, but are not necessarily limited to:

- Rehabilitation,
- Reconstruction,
- Reimbursement, and
- Temporary Relocation Assistance.[1]

Eligible structure types include:

- Single-family dwelling,
- Duplex,
- Townhome,
- Modular home,
- Manufactured home,
- Housing cooperative ("co-op"), or
- Condominium.

Structure type will be verified during the damage inspection and reported in the damage assessment. Modular homes are treated as stick-built dwellings for the purpose of determining program assistance options to the applicant. Owner-occupied single-family homes and duplexes with rental units are eligible but *Uniform Relocation and Real Property Acquisition Policies Act of 1970* (URA) requirements must be met. NCORR has adopted a Uniform Relocation Act Policy to address these scenarios. In addition, the following terms and conditions apply to duplexes and condominiums.

[1] See the waiver provided at 81 FR 83267, VI.A.19.g.

Duplexes:

- In the circumstance where the owner(s) of a duplex occupied one unit as his/her/their primary residence as of the time of the storm, the duplex is an eligible structure type. If an owner did not occupy at least one unit of the duplex, the structure is ineligible for assistance from the Homeowner Recovery Program. Program funds may be used to fund the repair of both units of the eligible structures.
- In the circumstance where there are different owners for each unit in the duplex or joint owners who occupy each unit separately, each unit shall be treated as a separate damaged property and each owner is eligible to apply for assistance for his or her individual unit.
- If half of the duplex is a rental unit and occupied by a tenant, all URA notifications must be issued and URA requirements followed. Applicants are prohibited from evicting a tenant for the purpose of applying or participating in the Program and will be ineligible for assistance if they do so. Applicants with a vacant duplex rental unit will be advised not to enter into a lease for the property and will be provided a copy of the "Move In" Notice to be issued to any prospective tenants prior to them signing a lease should they elect to rent the unit prior to construction. This notice informs prospective tenants that they will not be eligible for relocation assistance if they become displaced by program related activities.
- A duplex property may not participate or be eligible for both the Homeowner Recovery Program and the Small Rental Repair Program.

Condominiums:

- If a damaged property is designated as a condominium, the owner of each condominium unit shall be permitted to apply for assistance for the unit under their ownership. Condominium associations are not eligible to apply for assistance. Written approval of the scope of work identified in the damage assessment from the condominium association must be obtained by the applicant prior to commencing the repair or rehabilitation work. In addition, the condominium association may be required to submit insurance or related information for any assistance that may be duplicative to the applicant's CDBG-DR assistance.

0.4 Ineligible Structures and Activities

Ineligible notifications will be mailed to the physical address provided by the applicant. Structures and activities ineligible for assistance from the Homeowner Recovery Program include but are not limited to the following:

- Damaged properties that are:
  - Second homes.

- Foreclosed homes.
- Detached structures.
- Properties located in a floodway.
- Properties located in areas where federal assistance is not permitted.
- Single family homes that have been converted for 100% exclusive business use and that is not the primary residence of the applicant(s).

- Forced mortgage payoffs.
- Small Business Administration (SBA) home/business loan payoffs.
- Compensation payments.
- Assistance for applicants who previously received federal flood disaster assistance, that required obtaining and maintaining flood insurance and did not maintain the required flood insurance.
- Assistance for applicants for Hurricane Florence recovery who were located in a floodplain, did not carry flood insurance, and earned a household income equal to or greater than 120% AMI.
- Business entities, including but not limited to, limited liability companies, partnerships, and corporations.
- A non-citizen homeowner who is prohibited from receiving federal public benefits under the Responsibility and Work Opportunity Act.
- The portions of a residential structure that are exclusively dedicated to conducting a home-based business are not eligible for assistance from the Program. However, the remaining, shared living spaces of the primary residence that are not exclusively dedicated to the home-based business, including but not limited to kitchen and baths, are eligible for assistance.

0.5 CDBG-DR Eligible Counties

To be eligible, all damaged homes must be located in one of the CDBG-DR eligible counties as shown below in the table below. The table indicates each impacted area by FEMA disaster declaration, by qualifying disaster (Matthew or Florence). If no specific storm is indicated, the area is considered to be dual impacted.

Table 1: HRP Eligible Counties

County	
Alamance County (Florence Only)	Lee County
Alleghany County (Florence Only)	Lenoir County†
Ashe County (Florence Only)	Madison County (Florence Only)
Anson County	Martin County (Matthew Only)
Beaufort County†	McDowell County (Florence Only)
Bertie County	Montgomery County
Bladen County***	Moore County
Brunswick County**	Nash County (Matthew Only)
Cabarrus County (Florence Only)	New Hanover County**
Camden County (Matthew Only)	Northampton County (Matthew Only)
Carteret County**	Onslow County**
Chatham County	Orange County (Florence Only)
Chowan County (Matthew Only)	Pamlico County**
Columbus County***	Pasquotank County (Matthew Only)
Craven County**	Pender County**
Cumberland County***	Perquimans County (Matthew Only)
Currituck County (Matthew Only)	Person County (Florence Only)
Dare County†	Pitt County†
Davidson County (Florence Only)	Polk County (Florence Only)
Duplin County**	Randolph County (Florence Only)
Durham County (Florence Only)	Richmond County
Edgecombe County* (Matthew Only)	Robeson County***
Franklin County (Matthew Only)	Rowan County (Florence Only)
Gates County (Matthew Only)	Sampson County†
Granville County (Florence Only)	Scotland County**
Greene County	Stanly County (Florence Only)
Guilford County (Florence Only)	Tyrrell County
Halifax County (Matthew Only)	Union County (Florence Only)
Harnett County†	Wake County (Matthew Only)

County	
Hertford County (Matthew Only)	Warren County (Matthew Only)
Hoke County	Washington County (Matthew Only)
Hyde County	Wayne County*
Johnston County†	Wilson County
Jones County**	Yancey County (Florence Only)

* Denotes a HUD-defined Most Impacted County (Bladen and Columbus Counties added June 2, 2019) for Hurricane Matthew
** Denotes a HUD-defined Most Impacted County for Hurricane Florence.
*** Denotes a Most Impacted County for both Hurricane Matthew and Hurricane Florence.
†Denotes a State-identified most impacted county. State-identified MIDs do not count toward the 80% expenditure requirement set in the Federal Register Notice(s) for MID areas.

0.6 Method of Program Distribution

As of Version 5.0 of the Homeowner Recovery Manual, NCORR is the sole provider of Homeowner Recovery Program service. Previously, the method of program distribution depended on the county in which the applicant resides. While most affected counties had elected to participate in the state-centric model managed by NCORR, some elected to become subrecipients and administer all or a portion of housing assistance. Cumberland County, Edgecombe County, and Wayne County all participated in applicant intake (Step 1), which has since been consolidated to NCORR's operation for processing applications. Robeson County advanced some applications through the entire recovery process, Steps 1 –8, but no longer administers any grant function.

0.7 Steps in the Homeowner Recovery Process

0.8 Housing Summary Tables

The following tables summarize the requirements of each component of the Homeowner Recovery Program.

Table 2: Homeowner Rehabilitation.

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Steps in Process
Repair homes impacted by disaster. Repairs include storm related damages, environmental remediation (lead-based paint and asbestos removal), code/ safety related items, and accessibility. Additional funds may be provided for the elevation of the home.	**Up to $70,000 for rehabilitation with additional funds for elevation if required or if eligible for Optional Elevation. Additional funds will be available above the $70,000 cap for environmental remediation (lead/asbestos), accessibility requirements, and change orders, if required.**	• LMI or Urgent Need applicant. • Damage less than 70% of pre-storm tax assessed value.	• Damage to home equal to or greater than 70% of pre-storm tax assessed value. • Repairs for a second home or rental property (unless the property has an owner-occupied unit). • Homes located in a floodway. • Foreclosed homes. • Did not maintain flood insurance after receiving prior federal disaster assistance that required obtaining and maintain flood insurance. • Were located in a floodplain, were over 120% AMI, and did not maintain flood insurance at the time of the storm (Florence only) • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Eligibility and DOB verification. • Ownership verification. • Home inspection. • Environmental/Lead-based paint (LBP) clearance/Asbestos. • Award determination. • Execution of grant agreement. • Contract and bid work. • Temporary Relocation Assistance (TRA) provided (if eligible). • Flood Insurance Assistance (FIA) for properties located in the 100-year floodplain for LMI applicants.

Table 3: Homeowner Reconstruction.

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
Reconstruct homes impacted by disaster that are substantially damaged and not feasible to repair. Additional funding may be provided for elevation.	**Based upon actual bids to build Program approved eligible floorplans with an additional allowance provided for elevation.**	• LMI or Urgent Need applicant. • Damage at or above 70% of the pre-storm tax assessed value. • Estimated cost of repair is greater than the cap for rehabilitation. • Determined to be not suitable for rehabilitation by the local jurisdiction, or the property cannot be safely inspected. • Located in the 100-year floodplain and not elevated 2 ft. above base flood elevation (BFE) or 2 ft. above the high-water mark. • Located within an NCORR-designated DRRA.	• Damage to home is below 70% of pre-storm value. • Second homes or rental properties (unless the property has an owner-occupied unit). • Homes located in a floodway. • Foreclosed home. • Did not maintain flood insurance after receiving prior federal disaster assistance requiring maintenance of flood insurance. • Were located in a floodplain, were over 120% AMI, and did not maintain flood insurance at the time of the storm (Florence only) • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Eligibility and DOB verification. • Ownership verification. • Home inspection. • Environmental/LBP clearance/Asbestos. • Select Floorplan • Award determination. • Execution of grant agreement. • Contract and bid work. • TRA provided (if eligible). • FIA for properties located in the 100-year floodplain for LMI applicants.

Table 4: Mobile/Manufactured Home Unit (MHU) Repair.

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
Repair Manufactured Home Units (MHUs) impacted by disaster, up to $5,000 in damages. Double wide or larger MHUs that applied for assistance to the program in 2020 or later are eligible for repairs up to $10,000. Repairs include storm-related damages, safety-related items, and accessibility.	**Up to $5,000 for a single-wide MHU, $10,000 for a double-wide or larger MHU for applicants admitted to the program in 2020 or later are eligible for repairs up to $10,000.**	• LMI or Urgent Need applicant. • Damage to manufactured home less than or equal to $5,000 for a single-wide or $10,000 for a double-wide or larger MHU for new applicants in 2020.	• Damage to the home is more than $5,000 ($10,000 for double-wide or larger for new applicants in 2020). • Manufactured homes constructed prior to 1976. These homes must be replaced. • Repairs for a second home or rental property. • Homes located in a floodway. • Foreclosed home. • Home did not maintain flood insurance after receiving prior federal disaster assistance that required obtaining and maintaining flood insurance. • Were located in a floodplain, were over 120% AMI, and did not maintain flood insurance at the time of the storm (Florence only) • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Eligibility and DOB verification. • Ownership verification. • Home inspection. • Environmental/LBP clearance/Asbestos. • Award determination. • Execution of grant agreement. • Contract and bid work. • TRA provided (if eligible). • FIA for properties located in the 100-year floodplain for LMI applicants.

Table 5: Mobile/Manufactured Home Unit (MHU) Replacement.

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
Replace manufactured homes impacted by disaster that are substantially damaged and not feasible to repair. Additional funding may be provided for elevation. Damaged unit will be removed and disposed of properly.	**Actual costs based on bid to include demolition and removal of the damaged unit, the cost of the new unit, setup, and delivery. An additional allowance is available for elevation if required.**	• LMI or Urgent Need applicant. • Damage at $5,001 and above for single-wide MHUs and $10,001 for double-wide or larger MHUs for new applicants as of 2020. • Manufactured home constructed prior to 1976.	• Damage to home $5,000 or less or $10,000 or less for new applicants as of 2020. • Second homes or rental properties. • Home located in a floodway. • Foreclosed home. • Home did not maintain flood insurance after receiving prior federal disaster assistance that required obtaining and maintaining flood insurance. • Were located in a floodplain, were over 120% AMI, and did not maintain flood insurance at the time of the storm (Florence only) • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Eligibility and DOB verification. • Title and/or ownership verification. • Home inspection. • Environmental/LBP/ Asbestos. • Award determination. • Execution of grant agreement. • Remove and destroy damaged home. • Select new home. • TRA provided (if eligible). • FIA for properties located in the 100-year floodplain for LMI applicants.

Table 6: Homeowner Repair Reimbursement.

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
Reimburse homeowners for out-of-pocket repair costs (i.e., repairs were not covered by other disaster assistance, but from homeowner's personal funds).	**Up to $70,000.**	• Completed repairs must have occurred prior to the applicant's application for assistance to the program or September 14, 2018 for Hurricane Matthew (September 14, 2019 for Hurricane Florence), whichever occurred first. • LMI only (unless earning between 81 – 120% AMI and demonstrate hardship) for new applicants after V5.0 of the HRP Manual. Prior to V5.0 of the Manual, applicants may earn up to 120% AMI and receive reimbursement. • Repairs are within original home footprint. • Primary residence of the homeowner. • Cost of repairs exceed all sources of assistance received (e.g., Federal Emergency Management Agency [FEMA], SBA, insurance, etc.).	• Homeowner with income above 120% AMI. • Repairs completed after application to Program or September 14, 2018 (September 14, 2019 for Hurricane Florence), whichever occurred first. • Repairs for a second home. • Homes located in the 100-year floodplain that were required to elevate but were not elevated. • Homes with lead- based paint not remediated. • Repairs covered by other funding sources. • Repairs that substantially changed the original home footprint. • Homes located in a floodway. • Home did not maintain flood insurance after receiving prior federal disaster assistance that required obtaining and maintaining flood insurance. • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence. • Home has been determined to require reconstruction.	• Eligibility and DOB verification. • Home inspection and development of reimbursement estimate. • Additional eligible repairs if applicable. • Environmental/LBP clearance/Asbestos. • Award determination. • Elevation and Flood Insurance requirements, if required. • FIA for properties located in the 100-year floodplain for LMI applicants.

Table 7: Temporary Relocation Assistance (TRA).

Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
Temporary relocation assistance is provided when the homeowner's household cannot occupy their damaged home due to program-related construction or environmental remediation activities.	**Up to $12,000.**	• LMI or Urgent Need applicant up to 120% AMI • Homeowner not able to occupy damaged home due to program-related construction or environmental remediation activities.	• Persons not using ReBuild NC CDBG- DR funds for rehabilitation, elevation, or reconstruction. • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Determine length of assistance (not to exceed 12 months). • Complete a rent calculation to determine eligible rental payment. • Locate unit that meets DSS (decent, safe, and sanitary) requirements. • Determine if displacement requires moving of household goods and/or storage.

Table 8: Flood Insurance Assistance (FIA).

Program Priorities	Program Description	Funding Limit ($)	Eligible Applicant	Ineligible Applicant	Next Steps in Process
LMI homeowner with income at or below 80% AMI.	Funds to cover two years of flood insurance premiums for LMI homeowners**.**	**Up to $2,000.**	• LMI applicant. • Home is located within the 100-year floodplain. • Home must be insurable. • Homeowner must occupy the home as their primary residence.	• Homeowner with income greater than 80% AMI. • Homes located in a floodway. • Home cannot be a second home or rental property. • Property did not sustain damage as direct result of Hurricane Matthew and/or Hurricane Florence.	• Acquire a flood insurance quote for the eligible property or provide a proof of the paid Insurance premium and Declaration Page. • Coordinate with program staff to arrange payment to the insurance agency. • Applicant to provide documentation of compliance to the program.

0.9 Program Policy Changes

Revisions to this document will be tracked in the Policy and Procedures Revision Table and will include notes and dates of the revisions. The dates of each publication are also tracked in this table. Substantive changes within this document that reflect a policy change will result in the issuance of a new version. Substantive changes that result in the publication of a new version of this manual will be indicated with a sequential upward movement in the primary version number.

Non-substantive changes, such as minor wording and editing, or clarification of existing policy, which do not affect the applicability of the current policy will be included in minor version updates denoted by a sequential number increase behind the primary version number. Such changes would result in a version number such as 2.1, 2.2, etc.

0.10 Policy Change Control Board (CCB)

All policy changes for the Rebuild NC Homeowner Recovery Program are considered through a CCB Process in accordance with the CCB Policies and Procedures established by NCORR.

0.11 Compliance and Monitoring

For activities administered by the State using state-centric activity delivery model described in Part 0.6 above, the State utilizes internal QA/QC specialists to ensure adherence to program policy and procedure. QA/QC also reviews individual program files for consistency, completion, and eligibility.

For activities previously administered by counties using the county-centric activity delivery model, the State preforms monitoring of activities and projects executed by the county in conformance to the monitoring plan. Monitoring guidance for all CDBG-DR programs is found in the CDBG-DR Compliance and Monitoring Manual.

0.12 Exceptions and Eligibility Panel

The NCORR Exception and Eligibility Panel is responsible for the following:

- Eligibility Issues: Making case-by-case eligibility determinations as needed when NCORR Homeowner Recovery Program Policies do not clearly prescribe how to proceed with an applicant's file
- Implementation issues: Developing program clarifications and/or guidelines as implementation issues arise.
- Issues that have overall policy implications will be referred to NCORR's Policy Office and will be considered as part of the Change Control Board (CCB) Process.

Proposed exceptions and eligibility determinations can be requested by Program staff.

0.13 Complaints and Appeals

In accordance with Federal Register Notice 81 FR 83262 published on November 21, 2016, NCORR has implemented a policy to ensure that all complaints, appeals and grievances are addressed in a timely manner. For the purposes of managing the ReBuild NC Programs, NCORR has defined complaints and appeals as follows:

- A "complaint" is defined as a written or verbal statement that a situation in the ReBuild NC Program or behavior by a ReBuild NC Program representative is unsatisfactory or unacceptable: (1) A Fair Housing or other discriminatory allegation; (2) An allegation of fraud, waste or abuse; and/or Communication of dissatisfaction of the program and/or personnel.
- An "appeal" is defined as a written request by an Applicant asking for a reversal or revision of a determination that affects their eligibility and/or assistance they may receive from a ReBuild NC program.

The Program tracks both complaints and appeals with tracking logs that are maintained in the Program system of record, Salesforce. A response will be made to all complaints within 15 working days of receipt. Appeals are addressed in accordance with the *NCORR Appeals Policy*.

0.13.1 Complaints

Informal verbal complaints may be made to any of the ReBuild NC staff at any time. The program will advise staff to first ascertain if the complainant is an applicant or an interested party. If the complainant is an applicant, the applicant is provided the ReBuild NC Complaint Procedures. Receipt of the appeals procedures is provided to the applicant at Step 1 and is acknowledged by the applicant on the application for assistance.

The applicant may still submit a complaint rather than file a formal appeal if they choose to do so. If the verbal complaint is from either an applicant or interested party, and the complaint is made via the program hotline or at a Rebuild NC Center, the staff will provide instructions on the methods to file a written complaint via mail or email as indicated below under formal complaints. For new applications in 2020 or later, applicants are provided Complaint Procedure fact sheets during intake.

Formal complaints may be submitted via mail or email to the following address:

ReBuild NC Applicant Service
North Carolina Office of Recovery and Resiliency (NCORR)
PO Box 110465
Durham, North Carolina 27709
Emailed complaints should be sent to NCORR at info@rebuild.nc.gov

In order for NCORR staff to research the issue and provide an appropriate response, the written complaint should include the following information.

1. Name, Application ID (if applicable), and current mailing address.
2. Contact information such as phone number and/or email address for person submitting the complaint.
3. Contact information for the party for which the complaint is about.
4. Nature of the complaint.

Once the complaint is received, NCORR staff will log the complaint and assign to the appropriate staff or contractor and will track the issue to ensure that it is responded to within the required 15 working day period.

0.13.2 Appeals

Applicants have the right to appeal any determination issued by the ReBuild NC Homeowner Recovery Program that affects the applicant's eligibility or assistance determination. The appeal policy and process is detailed in the NCORR Appeals Policy and the Homeowner Recovery Program Appeal Procedures. A copy of the appeal procedures will be provided to applicants when they apply to the Program. Upon receipt, applicants will be required to certify that they received the appeal procedures that describe the process for filing an appeal. Applicants will be provided the appeals procedures again when a determination of eligibility and/or assistance is made.

A written appeal must be submitted to the Program within 30 days of the eligibility or assistance determination using the Request for Appeal Form, as indicated in the NCORR Appeals Procedures, found on the Rebuild NC website at https://www.rebuild.nc.gov/about-us/plans-policies-reports/policies-and-procedures.

The appeal must include a detailed letter explaining the reason for the appeal and any supporting documents related to the appeal. The appeal may include more than one issue for consideration and must be submitted as one appeal. The Program will provide written response to the applicant within 15 working days of receipt of the written appeal.

Appeals may be submitted at a ReBuild NC Center or by one of the following methods:

Mailing Address:
ReBuild NC Appeals Team
ATTN: Homeowner Recovery Program
North Carolina Office of Recovery and Resiliency
PO Box 110465
Durham, North Carolina 27709
Email Address: Appeals@rebuild.nc.gov

The first written appeal submitted by an applicant will be received by the Appeals Team. The Appeals Team may reach out to the applicant to request additional documents or information. The appeals team will review and send all appeal related documents to the Level 1 Appeals Committee for the appeal decision. An appeal determination in most cases will be issued to the applicant within 30 days. If the applicant is not satisfied with the initial appeal determination, a second written appeal may be submitted to the Level II Appeals Committee.

The second written appeal must be submitted with 30 days from the date of the Level I Appeals Committee appeal determination letter. The Level II appeals committee will review the initial appeal determination and any additional documentation submitted by the applicant to render a decision. A determination on the second appeal will be issued within 30 days of receiving the second appeal request from the applicant. This decision will be final.

Additional details are provided in the Homeowner Recovery Program Appeal Policy.

0.14 Record-Keeping Requirements

0.14.1 Records Management

In accordance with HUD regulations, NCORR follows the records retention rules as stated in 2 CFR §§ 200.333–200.337, which require financial records, supporting documents, statistical records and all other pertinent records be maintained for five years after closeout of the grant between HUD and NCORR. NCORR established requirements in its sub-recipient and contractor agreements for compliance with all HUD cross-cutting requirements outlined in 2 CFR Part 200 Appendix II, including record keeping requirements. Applicants are advised that additional information may be required for the Program to properly calculate an applicant's grant amount and determine eligibility, and that applicant should maintain all records, receipts, invoices and other documentation related to any repairs, construction or clean-up of the damaged home for no less than five years from the date that they close out with the Program.

0.14.2 Access to Records

24 CFR § 570.49 Recordkeeping requirements, states:

> *"(c) Access to records.*
>
> *(1) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.*

> *(2) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records."*

The availability of records is subject to the exemptions to public disclosure set forth in the Public Records Act, found at Chapter 132 of the North Carolina General Statutes. All public records requests must be made pursuant to that law.

0.14.3 Personally Identifiable Information ("PII")

PII is defined by HUD and NCORR as follows: "Information that can be used to distinguish or trace an individual's identity, such as name, and social security number, alone, or when combined with other personal and identifying information which is linked or linkable to a specific individual, such as date, place of birth, mother's maiden name, etc." The Program is committed to protecting the privacy of all individual stakeholders, including applicants, the public and those individuals working on the Program. The purpose of this section is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal information on individuals that is covered by the *Federal Privacy Act of 1974*, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award determination and closeout process to ensure compliance with Program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the Program to perform a financial or programmatic audit of the Program may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements and State and local law.
- NCORR may disclose personal information of an applicant to those with duly authorized power of attorney for the applicant or for whom the applicant has provided written consent to do so.
- Organizations assisting the Program in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but

is not limited to, HUD, FEMA, FBI, NC Office of the Comptroller, and the HUD Office of the Inspector General.

0.14.4 Applicant File Contents

Documentation for each application will be stored in the Program System of Record, Salesforce. The type of documents retained will vary based on the applicant's status and type of assistance received. Documents may include but are not limited to:

- Application
- Verification of Program Eligibility
- Determination of National Objective Eligibility
- Damage Assessments
- Award Calculation
- Duplication of Benefits Review
- Environmental Remediation and Clearance
- Grant Agreement Documents
- Construction Documents, if applicable
- Proof of Payment of Grant Funds
- Close-Out Documents
- Appeals, if applicable
- All copies of Program correspondence

0.15 Applicant Power of Attorney (POA) and Communication Designees

The Program will receive inquiries regarding the status of applications from a number of people, including the applicant and/or their advocate [as evidenced by a signed and dated Power of Attorney (POA) or Communication Designee Form]. Both forms may be found on ReBuild NC website, https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program.

Upon receipt of this type of inquiry, it is the Program's responsibility to ensure that a properly executed *"Communication Designee"* form or POA is on file for the applicant prior to providing applicant specific information to anyone other than the applicant. In absence of these forms, the applicant and the applicant's advocate will be informed that execution of one of these documents is necessary prior to the Program communicating with the advocate. It is important to note that the *"Communication Designee"* Form allows an applicant's legal counsel to file an Appeal Extension on their behalf.

0.16 Definitions

100-Year Floodplain: An area subject to inundation from a flood having a one percent or greater chance of being equaled or exceeded in any given year.

500-Year Floodplain: The geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Action Plan: The State of North Carolina Action Plan for Disaster Recovery submitted to and approved by HUD in fulfillment of the requirements for CDBG-DR Program for recovery from Hurricane Matthew, as amended, as well as the Hurricane Florence CDBG-DR funds, as amended.

Abbreviated Title Report: A report summarizing a search of the conveyance records in the county in which the damaged property is located. The conveyance search should start from the first link in the chain of title from before the storm and run forward through the current index date of the County Clerk's Office. The report should, at a minimum, contain the full names of all current owners and applicants, the damaged property address, unique single-family program identification number, and other recordation information.

Appeal: A written request from an Applicant for a review and change to an unfavorable determination made by the ReBuild NC Single-Family Homeowner Recovery Program.

Applicant: Any individual who submits an application for assistance to the Rebuild NC Homeowner Recovery Programs. A Primary Applicant must be an owner who is able to prove occupancy and residence at the time of the storm. Co-Applicants must be owners of the home but are not required to be occupants.

Application: The ReBuild NC Homeowner Recovery Application form can be found posted at https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program.

AMI: The median (middle point) household income for an area adjusted for household size as published annually by HUD. Once household income is determined, it is compared to HUD's income limit for that household size. Income limits are adjusted annually by county.

Award Notice: The written notice provided to an applicant(s) to inform them regarding their zero or positive grant award calculation.

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

Buyout: As referenced in the Federal Register Notice, "buyout" refers to the voluntary acquisition of properties located in a floodway or floodplain at pre-storm value in order reduce risk from future flooding as further defined in the NCORR Buyout Manual.

Case Management: Working with individual survivors and their families to understand the Program's housing options, resulting in clear and transparent determination of eligibility. Case Managers must consider all special circumstances of the survivor's needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

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

CCB: Designated board of policymakers that evaluates and approves program policy changes. See *NCORR Change Control Policy*.

Change Control Board Form: A standardized form used to describe proposed policy changes to the Change Control Board. See *NCORR Change Control Policy*.

Grant Agreement and Associated Documents: All documents required by the Program for execution prior to initiating any funds disbursement or issuing a Notice to Proceed (NTP) to a construction contractor. These documents shall at a minimum include: a grant agreement, subrogation agreement, and any other document required to disburse program funding to an applicant.

Common Area Under Roof: The total area under the common roof is primarily interior, conditioned spaces, and for single-story homes, equal to the footprint of the house. The term is also synonymous with area eligible for rehabilitation and repair reimbursement. Exterior spaces such as detached porches and garages are not considered in the eligible area.

Contaminated Sites: Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: (i) listed on an Environmental Protection Agency (EPA) Superfund National Priorities or *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA) List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank. HUD policy, as described in 24 CFR
§ 50.3(i) and 24 CFR § 58.5(i)(2).

Contractor: A company under contract to provide professional services to NCORR and/or a sub-recipient that is directly responsible for management of the State's Homeowner Recovery Programs. May also refer to a construction vendor.

Damage Assessment: The process utilized to verify that damage at a property can reasonably be attributed to Hurricane Matthew and/or Florence and the quantification of damages that results in the dollar value and scope of repairs necessary to repair a structure.

Damaged Property: The housing unit that was directly damaged by Hurricane Matthew and/or Florence for which the applicant has applied for assistance.

Demolition: Clearance and proper disposal of dilapidated buildings and improvements.

Disability: For the purposes of the Program, "disability" is consistent with federal law under the Social Security Act, as amended, 42 U.S.C. § 423(d), The *Americans with Disabilities Act of 1990*, as amended, 42 U.S.C. § 12102(1)-(3), and in accordance with HUD regulations at 24 CFR §§ 5.403 and 891.505.

Dual Impacted: Specifically refers to applicants as well as geographic areas that were impacted by Hurricane Matthew and subsequently impacted by Hurricane Florence.

Duplication of Benefits: Refers to the provision under the *Robert T. Stafford Disaster Assistance and Emergency Relief Act* (Stafford Act) that prohibits any person, business concern, or other entity from receiving financial assistance from federal disaster funds with respect to any part of a loss resulting from a major disaster as to which that person or entity has already received financial assistance under any other program, insurance, or another source.

Elderly: A person at least 62 years of age [24 CFR § 5.100].

Electronic Execution: The process by which all required signatories of grant agreements and associated documents execute any and all documents via electronic means. Electronic means may include the transmittal of document signatures by scanning original signed documents and transmitting those executed copies back to the Program via email, DocuSign, or other method approved by NCORR.

Estimated Cost of Repair (ECR): A documented estimate, line item by line item, of the damages observed during damage assessment of an applicant's property that quantifies the materials and labor necessary to repair observed damages.

Exceptions and Eligibility Panel: NCORR panel designated to review applicant eligibility and exceptions in accordance with the approved NCORR *Exceptions and Eligibility Policy* and Form.

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

Federal Register (FR): A daily publication of the U.S. federal government that issues proposed and final administrative regulations of federal agencies.

***Flood Disaster Protection Act of 1973* and Sec. 582(a) of the *National Flood Insurance Reform Act of 1994*:** Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial

property if: (1) the person had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable federal law on such property.

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

Floodplain: Also known as the "Base Flood," as defined at 44 CFR Part 59, this is the low, flat, periodically flooded lands adjacent to rivers, lakes and oceans and subject to geomorphic (land-shaping) and hydrologic (water flow) process. The 100-year floodplain is the land that is predicted to flood during a 100- year storm, which has a 1% chance of occurring in any given year. Areas within the 100-year floodplain may flood in much smaller storms as well. The 100-year floodplain is used by FEMA to administer the federal flood insurance program.

Floodway: The channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height as defined by 44 CFR § 59.1.

General Contractor: An individual or entity that is licensed in the State of North Carolina to perform residential construction services as a general contractor. The general contractors participating in the Homeowner Recovery Programs will be procured and managed by NCORR.

Green Building Standards: All rehabilitation (meets the definition of substantial improvement), reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) Enterprise Green Communities, (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), or (4) International Code Council (ICC)–700 National Green Building Standard, or other standard allowable by HUD.

Head of Household: The adult member of the family who is the head of the household for the purposes of determining income eligibility and rent. [24 CFR § 5.504]

Household: 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. For housing activities, the test of meeting the low-to-moderate-income objective is based on the income of the household.

Homeowner Recovery Programs: Collectively refers to all forms of assistance that are available to eligible applicants as part of the ReBuild NC Programs to include (i) Rehabilitation, (ii) Reconstruction, (iii) Manufactured Home Unit (MHU) Repair/Replacement, (iv) Reimbursement, (v) Temporary Relocation Assistance, and (vi) Flood Insurance Assistance. Other programs related to Strategic Buyout, Small Rental Repair Program, and Multi-Family Housing are addressed in separate manuals.

HUD: United States Department of Housing and Urban Development.

HUD Housing Quality Standards: HUD's standard for decent, safe, and sanitary housing conditions as defined by 24 CFR § 982.401.

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 coverage for all new and renewed Standard Flood Insurance Policies. ICC is a duplication of benefits if a structure owner requests reimbursement or additional assistance for elevation, demolition, flood proofing or relocation—one of the four options available under ICC—and has already received an ICC benefit under the NFIP.

IRS 1040/Adjusted Gross Income ("AGI") Calculation Method: Citizens of the United States and resident aliens, except those with gross incomes that fall below a certain level, are required to file an income tax return with the Department of the Treasury's Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The Adjusted Gross Income (AGI) is listed on the 1040 tax form and is the dollar figure used to determine an applicant's income eligibility for participation in the CDBG-DR Programs.

Limited English Proficiency (LEP): A designation for person that are unable to communicate effectively in English because their primary language is not English, and they have not developed fluency in the English language. A person with Limited English Proficiency may have difficulty speaking or reading English. An LEP person benefits from an interpreter who translates to and from the person's primary language. An LEP person may also need documents written in English translated into his or her primary language so that person can understand important documents related to health and human services.

LMI National Objective: One of three national objectives that any CDBG activity must meet. Activities that meet the LMI objective must benefit households whose total annual gross income does not exceed 80% of area median income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance. The most current income limits, published annually by HUD, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- Extremely low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size;

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

Mail-Away Grant Agreement Signature: The process by which the Program transmits all grant agreement documents to all necessary signers via U.S. Mail or nationally recognized overnight courier service, for execution and return to the Program after signing by the Applicant(s) via U.S. Mail, hand delivery, or nationally recognized overnight courier service.

Manufactured Housing: A dwelling unit composed of one or more components substantially assembled in a manufacturing plant and transported to a building site. See Mobile Home and Modular Home.

Mobile Home: A dwelling unit composed of one or more components substantially assembled in a manufacturing plant and designed to be transported to a building site on its own chassis for placement on a supporting structure. A mobile home is constructed in accordance with the standards established in the U.S. Department of Housing and Urban Development's building code for manufactured housing. A mobile home is not constructed in accordance with the standards established in the state and local building codes that are applicable to site-built homes. *For the purposes of the Homeowner Recovery Program, the term mobile home shall be used interchangeably with the term manufactured home.*

Modular Home: A dwelling unit composed of two or more components substantially assembled in a manufacturing plant and transported to a building site by truck for final assemble on a permanent foundation. A modular home must be constructed in accordance with the standards established in the state and local building codes that are applicable to site-built homes. Modular homes do not include mobile homes. *For the purposes of the Homeowner Recovery Program, a modular home will be treated the same as a stick-built single-family dwelling unit pursuant to the North Carolina Uniform Power of Attorney Act*.

Most Impacted and Distressed (MID) Areas: Areas of greatest impact from a disaster as determined by HUD or the State in making disaster funding allocations, using the best available data sources to calculate the amount of disaster damage. The MID-designated areas for Hurricane Matthew funding allocations include the counties of Bladen, Columbus, Cumberland, Edgecombe, Robeson, and Wayne.

New Construction: A replacement home that substantially exceeds the original footprint on the existing lot (if permitted) or the construction of a new home in a new location.

NFIP: National Flood Insurance Program. When the Program refers to NFIP in the context of eligibility or duplication of benefits, the Program is referring to private and public flood insurance programs that cover structural repairs resulting from flood damages.

Not Suitable for Rehabilitation: Meeting one of the two following definitions:

1. Properties with total damages (estimated cost of repair plus the value of the damage repair verification) greater than or equal to 70% of the pre-storm tax assessed value.
    a) The damage threshold excludes asbestos and lead testing and removal/abatement, accessibility costs such as ramps and lifts, and approved change orders.
2. Properties with an estimated cost of repair greater than the program cap for rehabilitation (currently $70,000).
3. Properties that have been determined to be not suitable for rehabilitation by order of the local jurisdiction or are unsafe to inspect due to damage to the property.
4. Properties located within the FEMA-designated 100-year floodplain that are not currently elevated 2 ft. above base flood elevation (BFE) or 2 ft. above the high-water mark, in accordance with program elevation requirements.
    a) Properties located within a Disaster Risk Reduction Area (DRRA) as formally adopted by NCORR, within or outside of the 100-year floodplain must also meet this requirement. DRRA adoption is effective as of the date that the DRRA was finalized by NCORR and approved by NCORR Senior Staff. Applicants who completed construction prior to the effective date of the DRRA, or applicants who are undergoing CDBG-DR funded construction (i.e. the contractor has been issued a notice to proceed) for rehabilitation, reconstruction, or MHU replacement prior to the date of DRRA adoption are not retroactively affected by the DRRA adoption.

Ownership: Applicants must have had and maintained a present, freehold, possessory estate in the surface of the land.

Power of Attorney (POA): An authorization to act on someone else's behalf in a legal or business matter.

Pre-Storm Value: The value of the Damaged Property prior to October 8, 2016 (Hurricane Matthew) or September 14, 2018 (Hurricane Florence). Pre-Storm Value shall be equal to the assessed value of the building as determined by the applicable county tax assessor’s office and applied against the damaged property for the year 2016 for Hurricane Matthew or 2018 for Hurricane Florence.

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

Qualifying Event: Also Qualifying Disaster. Refers to which disaster impacted the damaged property and which CDBG-DR allocation is funding the recovery. For example, an applicant's property damaged by Hurricane Matthew and receiving Hurricane Matthew CDBG-DR funds has Hurricane Matthew as a qualifying event. An applicant may be subject to different rules depending on the qualifying event. The Program determines the qualifying event for each applicant.

ReBuild NC: Also, RBNC. The name used in communication and branding for NCORR's recovery programs, including all HRP programs.

Reconstruction: Demolition and re-building of a housing unit on the same lot in substantially the same footprint and manner. The number of units on the lot may not increase and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased. If the relative percentage of an applicant's repair is equal to or exceeds 70% of the pre-storm tax assessed value, the reconstruction estimate is used to calculate the cost of reconstruction of the damaged structure.

Reconstruction Threshold: A sufficient amount of damage inflicted on a structure whereby the Program deems it necessary to reconstruct rather than rehabilitate. The current threshold is damage exceeding 70% of the pre-storm tax assessed value of the structure.

Rehabilitation: Repair or restoration of housing units in the disaster-impacted areas to applicable construction codes and standards. If the relative percentage of repair to the applicant's stick-built home is less than 70% of the pre-storm tax assessed value, the repair estimate is used for calculating the cost of rehabilitation of the damaged structure regardless of the value of unforeseen construction conditions requiring a change order.

Replacement: Demolition, removal, and replacement of a damaged manufactured home with a new home in substantially the same footprint, or at a new location if the original damaged unit was on leased land and the owner must relocate to a new property.

Second Home: 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. Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives. HUD has established an alternative requirement for second homes that may allow assistance in limited circumstances coordinated with HUD.

Sub-recipient: A non-federal entity, unit of general local government, or a nonprofit organization in North Carolina that administers all or a portion of a CDBG-DR funded program, as memorialized in a grant agreement between the sub-recipient and NCORR.

Subrogation: The process by which duplicative assistance paid to an applicant after receiving an award is remitted to the Program in order to rectify a duplication of benefit.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred (44 CFR § 59.1). Local jurisdictions determine substantial damage.

Substantial Improvement: Any repair, reconstruction, modernization or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure either before the improvement or repair is started or, if the structure has been damaged and is being restored, before the damage occurred. Substantial improvement determinations are made by local code enforcement, permitting, building and/or floodplain officials. The Program will abide by these determinations. [24 CFR § 55.2(b)(10)]

Tenant: An individual or family renting or occupying an assisted dwelling unit. [24 CFR § 5.504]

TRA: Assistance provided to owner-occupants voluntarily participating in the ReBuild NC Homeowner Recovery Program, for the purpose of providing assistance for alternative housing while rehabilitation, reconstruction, or manufactured home replacement work is being carried out. See *NCORR URA Standard Operating Procedures and Optional Relocation Policy*.

Total Household Income: The total income of all individuals over the age of 18 that are residing in a damaged property.

URA: The *Uniform Relocation and Real Property Acquisition Policies Act of 1970*, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et. seq.) See *NCORR URA Policy*. Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA's objective 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. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multifamily damaged/occupied activities that require the relocation of the tenants.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent and the recipient of funds cannot finance the activities on its own because other funding sources are not available. NCORR must document how each program and/or activity funded under this category responds to a disaster-related impact.

0.17 Acronyms

Acronym	Meaning
ACM	Asbestos-Containing Material
AMI	Area Median Income
BFE	Base Flood Elevation
CCB	Change Control Board
CDBG-DR	Community Development Block Grant–Disaster Recovery
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	Code of Federal Regulations
DOB	Duplication of Benefits
DOT	North Carolina Department of Transportation
DRGR	Disaster Recovery Grant Reporting System
DRA	Disaster Recovery Act
ECR	Estimated Cost of Repair
EPA	Environmental Protection Agency
ERR	Environmental Review Record
FEMA	Federal Emergency Management Agency
FIA	Flood Insurance Assistance
FR	Federal Register
GIN	General Information Notice
HMGP	FEMA's Hazard Mitigation Grant Program
HQS	Housing Quality Standards
HRP	Homeowner Recovery Program(s)
HUD	U.S. Department of Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IA	Individual Assistance
ICC	Increased Cost of Compliance
ICC	International Code Council
LBP	Lead Based Paint
LEP	Limited English Proficiency
LMI	Low and Moderate Income

NC	North Carolina
NCDOC	North Carolina Department of Commerce
NCEM	North Carolina Emergency Management
NCHFA	North Carolina Housing Finance Agency
NCORR	North Carolina Office of Recovery and Resiliency
NCRRP	North Carolina Resilient Redevelopment Planning
NEPA	National Environmental Policy Act of 1969
NFIP	National Flood Insurance Program
NFIRA	National Flood Insurance Reform Act
NMFS	National Marine Fishery Services
PA	Public Assistance
PER	Performance Evaluation Report
PHA(s)	Public Housing Authorities
QA/QC	Quality Assurance and Quality Control
RBNC	ReBuild NC
SBA	Small Business Administration
SHPO	State Historic Preservation Office
SFHA	Special Flood Hazard Areas
TRA	Temporary Relocation Assistance
UGLG	Unit of General Local Government
URA	Uniform Relocation and Real Property Acquisition Policies Act of 1970
U.S.	United States
U.S.C.	United States Code
USDA	U.S. Department of Agriculture

APPLICATION

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1.0 Available Homeowner Recovery Program Assistance

To address Hurricane Matthew damages, the Homeowner Recovery Program is offering assistance for the following eligible activities:

- Rehabilitation
- Reconstruction
- Mobile/Manufactured Home Unit (MHU) Repair or Replacement
- Reimbursement
- Temporary Relocation Assistance (TRA)
- Flood Insurance Assistance (FIA)

An initial round of Hurricane Matthew CDBG-DR applications was accepted until May 2019. NCORR will reopen and accept a second round of CDBG-DR assistance for the recovery of both Hurricane Matthew and Hurricane Florence applicants in 2020. An applicant may apply for and be eligible for one or several of the Homeowner Recovery Programs. Once an applicant applies for assistance, the applicant will be assessed for all eligible assistance. Receiving assistance from one program does not preclude an applicant from receiving additional assistance from another program if they are eligible and the additional assistance would not constitute a duplication of benefits. Applicants who applied for Hurricane Matthew CDBG-DR assistance may re-apply for Hurricane Florence assistance during the re-opening of applications in 2020, if they were previously determined to be ineligible or otherwise were unable to participate. Intake Specialists or Case Managers will be responsible for informing applicants about the Program in general, as well as providing information on all available forms of assistance for which an applicant is eligible. In addition, Case Managers will guide applicants though the decision-making process and assist in obtaining all required documentation from application to close out.

Participating in, and accepting any grant award from, the Homeowner Recovery Program is completely voluntary and up to the total discretion of the applicant. Policies and procedures for other available programs related to Buyout and Acquisition, Small Rental Repair Program, and Multi-Family Housing are addressed in separate manuals.

1.1 Application Intake

Homeowners impacted by Hurricane Matthew and/or Hurricane Florence can inquire about applying to the Homeowner Recovery Programs by calling 1-833-ASK-RBNC (1-833-275-7268) to schedule an appointment at one of the ReBuild NC Centers. Available intake locations and current hours of operation are listed on the ReBuild NC website www.rebuild.nc.gov. Mobile intake and/or homebound visits are available upon request.

1.1.1 Program Application

To complete the intake process, the applicant must complete an application and bring all required documents as identified on the Program Application Form and Checklist to the ReBuild

NC Center. The Program application is posted on-line at https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program. Applications are available at centers while applications are being accepted.

Owners who are not occupants are not required to sign any program forms or provide any income or other documentation. Applicants are responsible for resolving any dispute arising between owner-occupants and non- occupant owners. The date of application submittal is the date the applicant signed the physical application.

1.1.2 Intake Documentation

Prior to attending an appointment at a ReBuild NC Center, the call center and Intake Specialists will work with applicants to prepare for the application process by assisting them to gather required documentation. At the intake meeting, Intake Specialists will collect documents needed to determine eligibility, occupancy and program benefits such as the following documents:

- Photo identification (driver license, passport, or state ID);
- Declaration of Lawful Presence Form;
- Proof of occupancy at the damaged residence at the time of Hurricane Matthew (such as a utility bill from the month of the disaster in the applicant's name);
- Any before and after pictures of the property (if available);
- Copy of the most recent IRS 1040 tax return or last three months of pay stubs for all adults (18 and older) who live in the home;
- Copies of insurance payments received for any Hurricane Matthew and/or subsequent damage to the home (to include Hurricane Florence);
- Copies of all other assistance received (FEMA, SBA, or other federal, state or local disaster entities including charities);

The *Homeowner Assistance Program Required Document Checklist* (available at https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program) provides additional details on the various types of documents that may be submitted to support the application.

1.1.3 Application Intake Notifications

Intake Specialists should provide the following notifications to all applicants for the Homeowner Recovery Program during intake and eligibility. In addition, applicants must acknowledge receipt of all notifications which should be uploaded into Salesforce.

1.1.3.1 Intake Notifications for Owner-Occupied Single-Family Homes Without Rental Units or Tenants

Documents provided to homeowner/applicants at intake may require the applicant to sign an acknowledgement of receipt. Examples are noted below:

- EPA Booklet *Protect Your Family From Lead In Your Home*.
  - https://www.epa.gov/sites/production/files/2020-02/documents/lead-in-your-home-brochure-portrait-bw-2020-508.pdf.

1.1.3.2 Additional Intake Notifications for Owner-Occupied Properties with Rental Units and/ or Tenants

If a tenant occupied household or a damaged property containing a rental unit is identified during intake, the following notifications should also be included in the intake packet, in addition to the documents listed above:

- *General Information Notice (GIN) for Owners and Tenants* (Applicant and Tenants Required as applicable/Signed Receipt(s) Required)
- *URA/"Move In" Notice for Prospective Tenants & Certification* (Signed Receipt(s) Required)
- *Certification of Landlord & Tenant URA Responsibilities* (Signed Receipt(s) Required)
- *URA Acknowledgement Forms for Tenants and Landlords* (Signed Receipt Required)

All forms are available in the NCORR URA Policy Manual found at https://www.rebuild.nc.gov/about-us/plans-policies-reports/policies-and-procedures.

Owner occupant applicants for the Homeowner Recovery Program who identify their property as a duplex or as having tenants as part of the intake process shall be required to provide information related to all tenants, including but not limited to names, contact information and addresses. The applicant and tenants will be referred to a URA case manager to ensure they are provided assistance in accordance with URA, as amended. See the *NCORR URA Policy* for additional details.

1.1.4 Application Deadlines

Deadlines will be established throughout the life of the Program. Deadlines will be set for the times when application periods will close, grant agreements must be executed, and construction activities must begin or be completed. Additional deadlines for other program activities not included in this list may also be established. This manual will be updated as those deadlines are established. The Homeowner Recovery Program deadline for application submission was initially May 31, 2019. A second round of applications will open in 2020.

1.2 Applicant Communications

The Program will ensure that all applicants have updated information regarding the status of their application and award. The Program will use various methods of communication including but not limited to the following:

- Phone calls
- Written correspondence (e-mail, direct mailings, text messages)
- In-person meetings
- Mobile-friendly website

Applicants requiring special accommodations or who wish to inquire about accommodations at the ReBuild NC Centers should contact the Program's Section 504 Coordinator by dialing the call center.

1.3 Applicant Responsibilities

1.3.1 Ongoing Records Production and Retention

Applicants are advised that additional information may be required for the Program at any time to properly calculate the grant amount and that applicants should maintain all records, receipts, invoices and other documentation related to any repairs, construction or clean-up of the damaged property. The Program reserves the right to request additional documentation and the applicant is obligated to be responsive to these requests and produce such documentation, when requested. This obligation continues after all repairs and replacements have been completed and all award funds have been distributed to the applicant.

1.3.2 Involuntary Program Withdrawal

Applicants applying to the Program for assistance have the responsibility to keep the Program informed of current contact information and to update their records if their income situation changes. In addition, applicants are responsible for actively participating in the process and providing access to their property for damage inspection, lead-based paint testing, and construction progress inspections.

The Program will make every attempt to remain in contact and advise each applicant of any additional information that may be required to complete the Program. However, if applicants show a demonstrated pattern of disengagement, the Program will institute a communication due-diligence procedure, after which applicants will be notified that their continued participation in the Program may be in jeopardy. Should an applicant be non-responsive or fail to provide the Program with necessary documentation, the Program will institute a due diligence period to establish contact with the non-responsive applicant. If these attempts fail, the applicant is Involuntarily Withdrawn from the Program. The specific timeframes and steps for due diligence are located in the Program standard operating procedures. The applicant may appeal the Involuntary Withdrawal determination by following the Appeals process.

1.3.3 Ownership of the Damaged Property

To participate in the Program, applicant must agree not to transfer the damaged property or any interest in it, whether voluntarily or involuntarily, until the repair/rehabilitation or reconstruction to be performed under the Program has been completed and the Program has completed closeout of the application for assistance.

1.3.4 Stop Work

Upon applying to the Program, applicants are required to stop all ongoing repair work. This requirement will be referred to as the "stop- work requirement."

Failure to comply with the "stop-work requirement" will result in an applicant's ineligibility to the Program for full or partial funding. Applicants should consult with the Program prior to making any additional contract decisions during the mandatory stop-work period. Applicants that have submitted an application to the Program and who have been given the stop work order, but do not stop work on repairs, are at risk of being ineligible for funding.

Certain emergency repairs, at the discretion of NCORR and in compliance with 24 CFR § 58.34(a)(10), may not jeopardize eligibility. Emergency repairs are reviewed and must be approved by NCORR on a case by case basis.

1.4 Limited English Proficiency (LEP)

LEP is a designation for persons that are unable to communicate effectively in English because their primary language is not English. NCORR is required to ensure meaningful access to agency services, programs and activities for persons who have LEP. From intake to closeout, call center and Intake Specialists will identify applicants who have difficulty speaking or reading English and will ensure that the following services are available to them in accordance with the NCORR Language Access Plan:

- Provision of an interpreter who translates to and from the person's primary language
- Translation of Program documents

As necessary, Intake Specialists will utilize the call center to communicate with LEP applicants.

1.5 Special Needs

The Homeowner Recovery Program will be accessible to all persons with special needs and will operate in a manner that does not discriminate or limit access to program services and benefits to persons with disabilities. To ensure that the Program is operating in compliance with Section 504 requirements from intake to closeout, the Section 504 or Special Needs Coordinator will:

- Ensure that all facilities are readily accessible and usable by persons with disabilities.

- Assist Intake Specialists to provide written and verbal program services to program applicants regardless of their disability or limited proficiency with the English language to include sign language, braille, interpreters, etc.
- Conduct or assist Intake Specialists to complete home visits with applicants who are homebound or cannot access a ReBuild NC Center.
- When requested, ensure that the modifications to the applicant's home that are part of a Program scope of work appropriately address any identified hearing, visibility, or mobility limitations of the applicant and/or applicant's household members.
- If applicable, working with a disabled applicant's designee who has power of attorney or any non-profit organization that is representing the applicant.

All services listed above can be provided upon verbal or written request from the applicant. No additional documentation is required by the homeowner.

1.6 Fair Housing

The *Fair Housing Act* requires all grantees, sub-recipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. NCORR and contractors shall ensure that no applicant is treated in any way that does not comply with the federal *Fair Housing Act*, the Civil Rights requirements of Title I of the *Housing and Community Development Act, and the North Carolina Fair Housing Act* (Chapter 41A of the North Carolina General Statutes).

NCORR ReBuild NC Centers are readily accessible facilities where constituents may visit for information about ReBuild NC program offerings, consult with Intake Specialists to submit program applications, and meet with Case Managers and other center staff regarding questions related to their case as program applicants. In the continuous effort to provide premier public safety services for all North Carolinas, ReBuild NC Centers are conducive not only to the work environment for the staff but function as a safe and inviting space for the constituents and applicants being served. NCORR understands and recognizes that many applicants needing assistance will require assistance beyond closing the gap of unmet needs regarding the recovery of their homes. Mitigating disaster impact requires allowing avenues of support for other social risk factors, particularly for the more socio-economically challenged and physically and mentally vulnerable members of the communities being served.

NCORR ReBuild NC Center locations are strategically chosen to provide a balance of programmatic delivery and applicant support. To ensure a framework that allows a level of consistency in presentation for all current and future ReBuild NC Centers, center locales are selected by following three fundamental guidelines:

- Location of the local Department of Social Services (DSS)
  - Purposely locating ReBuild NC Centers within the same geographical area as the local DSS places the center with the reach of others valuable community services benefits and facilities like education, food subsidies, health care, job training and subsidized housing.
- Location of the County Seat
  - ReBuild NC Center location in the same municipality as the county seat of government, places the center in a location where other government administrative functions are located such as the county courthouse, register of deeds, and oftentimes other county offices.
- Identification of the largest municipality
  - Locating ReBuild NC Centers in the largest municipality within a county anchors the center in locations where local services are established to protect the citizens and provide residents of the particular area with urban-type services. Examples are water, sewer, police, streets, transportation, recreation, garbage collection and recycling, land use planning and fire protection.

Following the above ReBuild NC Center selection guidelines, enables NCORR to ensure that all individuals have access to the ReBuild NC program and is not excluded from nor denied the benefit of participating in the ReBuild NC Housing Programs or activities.

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ELIGIBILITY REVIEW

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2.0 Eligibility Review

Once the application is complete and all required documentation is submitted to the Program, the applicant's file progresses to the eligibility review phase of the Program. Program staff will review applicant information to determine eligibility for the ReBuild Homeowner Recovery Program.

2.1 General Applicant Eligibility Criteria

To be eligible for any of the programs, an applicant must meet the following criteria:

- The applicant must have owned and occupied the damaged property as the applicant's primary residence at the time of Hurricane Matthew (October 8, 2016) and/or Hurricane Florence (September 14, 2018), depending on which disaster the program demonstrates tieback;
- The applicant must still own and occupy the damaged property at the time of the closeout of the applicant's file (after complying with all program policies and requirements); and
- The applicant must be lawfully present in the United States. No applicant will be eligible for program assistance if the applicant is a non-citizen who is prohibited from receiving federal public benefits under the Personal Responsibility and Work Opportunity Act.
- The applicant must have an annual household income of equal to or less than 150% area median income (AMI) or demonstrate a hardship as defined below:
    - A recent increase in family size that would make the household income less than 150% AMI according to the new family size;
    - A family member living in the home with a disability or impairment that requires ongoing medical care and/or retrofits to the structure such as accessible ramps or lifts;
    - Recent unemployment or change in employment that reduces the total household income to below 150% AMI;
    - Student loan, SBA disaster assistance loan, and/or medical debt that when combined is greater than 30% of the yearly net pay or adjusted gross income earned by the household.

Applicants may appeal an ineligible determination based on earning greater than 150% AMI if they are able to demonstrate that they meet the hardship criteria defined above.

2.2 General Property Eligibility Criteria

The damaged home must be an eligible structure type as noted in Section 0.3 above, be located in one of the disaster-declared counties (see Table 1) and have sustained damage as a direct result of Hurricane Matthew and/or Hurricane Florence.

Additional eligibility criteria for each of the programs is listed in the individual sections below.

2.3 Homeowner Rehabilitation and Reconstruction

The Homeowner Rehabilitation and Reconstruction program provides assistance to rehabilitate or reconstruct the damaged property. Depending upon the level of damage and rebuilding costs, owners of stick-built or modular homes that meet program eligibility requirements can receive funding for Rehabilitation or Reconstruction.

2.3.1 Eligibility Requirements for Rehabilitation and Reconstruction

To be eligible for Rehabilitation or Reconstruction assistance, the following requirements must be met in addition to those listed in Section 2.0:

- The damaged home must have been covered by flood insurance at the time of the storm if the home previously received federal funds requiring the maintenance of flood insurance;
- The damaged home must have been covered by flood insurance, if located in a FEMA-designated 100-year floodplain, and the applicant's household income is equal to or exceeds 120% AMI if seeking assistance for Hurricane Florence recovery;
- Applicant must have ownership or legal authority to enter into a funding agreement; and
- Applicant must allow access to the damaged property for all program-related staff, inspectors, or contractors.

To be eligible for Program assistance, the property owner must be current on their property taxes and special assessments on their damaged home or provide evidence that delinquent payments or liens will not prevent the permitting authority from issuing construction permits.

The Program will verify the status of property taxes via on-line databases. In addition, applicants are required to confirm that they have no knowledge of liens on the damaged property that would prevent the Program from obtaining a construction permit. If applications are identified as having delinquent taxes or other lien on the property which potentially prohibits the Program from obtaining a permit, the Program notifies the applicant and allows 90 days for the homeowner to become current or to provide documentation from the permitting authority that the issue does not prevent permitting for the project. These applications are placed on hold and are not processed until the issue is resolved.

In addition, if there is a mortgage on the damaged property, to be eligible for Program assistance, the property owner must be current with mortgage payments or be able to provide documentation that they are in a formal payment plan with their mortgage holder. Acceptable documentation of mortgage includes but is not limited to:

- A copy of the most recent mortgage statement
- A copy of the formal payment plan if applicable, or
- A recent letter from their mortgage company indicating the status

In addition, applicants must confirm that they have not received notice of Default or Foreclosure on the damaged property. Current Matthew applicants who passed eligibility determination without providing documentation on mortgage status and have not executed a grant agreement as of March 5, 2020 are required to provide documentation at grant execution.

The Program allows applicants who are not current on their mortgage statement and are not in a formal payment plan 90 days from the Program notification to become current or provide documentation of a payment plan. Those applications are placed on hold and are not processed until the issue is resolved.

2.3.2 Ineligible Structures for Rehabilitation or Reconstruction

Structures ineligible for assistance include the following:

- Second homes;
- Foreclosed or seized homes;
- Damaged home not covered by flood insurance at the time of the storm if previously funded with federal funds requiring the maintenance of flood insurance;
- Damaged homes located in a FEMA-designated 100-year floodplain that did not maintain flood insurance and had a household income equal to or more than 120% AMI and are receiving CDBG-DR funds to recover from Hurricane Florence;
- Seasonal, short-term and vacation rental properties;
- Portion of an applicant's home used for non-residential purposes.
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within runway clear zones of either a civil of military airport;
- Homes located on contaminated sites as defined by Section 0.16;
- Recreational Vehicles and camper trailers used as a residence;

- Houseboats used as a residence;
- Garage, carports, sheds and outbuildings not attached to the main dwelling unit. Improvements must be physically attached to the house and be permanent in nature.

2.3.3 Required Ownership Documentation for Rehabilitation or Reconstruction

To be eligible for assistance, at least one applicant must have owned the damaged property at the time of Hurricane Matthew (October 8, 2016) or the time of Hurricane Florence (September 14, 2018), depending on which qualifying event caused damage to the home, through the end of the period of participation in any of the Program activities. If the owner of the damaged property has died, the property may qualify for assistance if the person(s) who inherits the property meets program requirements for heirship.

2.3.3.1 Warranty Deeds

The Homeowner Recovery Program requires that applicants own the damaged property at the time of Hurricane Mathew (October 8, 2016) and/or Hurricane Florence (September 14, 2018), depending on which qualifying event caused damage to the home. Ownership by limited liability corporations is not an eligible ownership type unless a waiver is obtained from NCORR. On a case-by-case basis, NCORR has the right to waive the requirement of ownership documentation in the applicant's name if it can be proven that the applicant: occupied the home at the time of the disaster, was making house payments to purchase the house, and has acquired title prior to assistance.

Owner-occupied units in multi-unit properties, such as cooperative and condominium units, are also eligible for the Rehabilitation and Reconstruction Program. However, applicants will need the approval of the condominium association or cooperative for the construction plans and may be required to have the association or cooperative provide insurance information before a Homeowner Recovery Program (HRP) grant can be awarded.

Applicants who own a home on property with multiple unattached homes on the same lot will be required to apply separately. Prior to replacing or repairing a structure, all code and property restrictions, if applicable, must be resolved. In addition, a survey of the property will be required, and the property may need to be sub-divided. The resolution will be based on the most reasonable and cost-effective type of assistance available to the homeowners.

2.3.3.2 Contract for Deeds

Contract for deeds are not eligible unless the applicant converts the contract to ownership prior to receiving funding assistance from the Rehabilitation or Reconstruction Program. Evidence of purchase must prove that an applicant was purchasing a home by:

- A fully executed purchase contract, signed by both the seller and the buyer, dated prior to October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home.

- On a case-by-case basis, the Unit of General Local Government (UGLG) or NCORR may consider and/or require other documentation of purchase.
- Proof that a contract has been completed or title conveyed to the purchaser; or
- Evidence that the property was transferred by a warranty deed and recorded at the County Register of Deeds Office.

2.3.3.3 Trusts

Property held in trust for the benefit of natural persons can be eligible for assistance if at least one of the occupants at the time of the damage was a current beneficiary of the trust. If the property was not the primary residence for the current beneficiaries or trustee, the applicant is not eligible for assistance. The trustee's powers must include the ability to affect the damaged property. If the trustee's powers do not include the ability to affect the damaged property, all beneficiaries with an interest in the damaged property must sign the grant agreement documents along with the trustee.

The following is required to confirm eligibility:

- The applicant must provide a copy of the trust document.
- The trust document or an abstract or extract from the trust must be recorded in the conveyance records of State of North Carolina. This recordation in the conveyance records of the State of North Carolina may occur post-damage, if necessary.

Trustee must execute the applicable agreements unless the trust distributes the property to a beneficiary, in which case the beneficiary receiving the property must execute the applicable agreement and occupy the home as primary residence after the assistance.

2.3.3.4 Life Estates

An applicant who has or obtains a valid life estate interest in the damaged property may be eligible for program assistance, provided he or she also occupied the damaged property as his or her primary residence at the time of Hurricane Matthew (October 8, 2016) and/or Hurricane Florence (September 14, 2018), depending on which qualifying event caused damage to the home. Any such applicant shall provide documentation of the claimed life estate. The Program will review any documentation of the life estate to determine if the documentation is sufficient for program eligibility purposes. Remainder interest holder(s) will not be required to execute the grant agreement or co-sign the application.

2.3.3.5 Heirship

In the event the owner of the damaged property is deceased at the time of Hurricane Matthew (October 8, 2016) and/or Hurricane Florence (September 14, 2018), depending on which qualifying event caused damage to the home, and the applicant who occupied the damaged property on the qualifying disaster date, is an heir or beneficiary as of the qualifying disaster date, then the applicant is a potentially eligible homeowner. If the applicant is a co-owner (e.g.,

the applicant is a tenant in common or joint tenant), then the applicant certifies on the application for assistance that all parties that have a right to claim ownership have agreed to participate in the program or could not be located. Co-owners who are not occupants may execute a power of attorney to allow the owner-occupant applicant to sign all legal documents on behalf of the remaining owners.

An applicant who cannot establish record ownership of the damaged property on October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home, in his or her name, but who can establish that title to the damaged property was vested in an individual who has since deceased, and to whom the applicant is an heir or beneficiary, can establish an eligible form of ownership in the following ways:

- **Deceased Pre-Grant Agreement.** In the event an individual who, if alive as of October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home, would have been able to establish requisite ownership and occupancy of the damaged property is deceased or dies after submitting his or her application for assistance to the Program, but prior to executing the grant agreement, the applicant's heirs or beneficiaries who occupied the damaged property as their primary residence as of October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home, may be eligible if they can establish their legal right to succeed to the ownership rights of the deceased applicant. Each case will be reviewed and approved by NCORR legal counsel in advance of making a final eligibility determination. Heirs or beneficiaries who did not occupy the damaged property as their primary residence as of October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home, are NOT eligible for assistance.
- **Deceased Post-Grant Agreement.** In the event of an applicant's death after the execution of the grant agreement, the estate representative or heir(s) can qualify to receive grant funds to complete reconstruction or rehabilitation of the damaged property. No additional occupancy test is required for the verified estate representative or heir(s). All disbursement and construction activities will be placed on hold until the Program verifies and/or completes the following: (i) receipt of the death certificate for the deceased applicant establishing the death occurred post grant agreement execution, (ii) receipt of the court order or other documentation recognizing the estate representative or heir(s) as such, and (iii) amendment of the Program application to add the estate representative or heir(s) who will then be required to sign a document ratifying and confirming the grant agreement and assuming all of the obligations thereunder.

2.3.3.6 Applicants Unable to Provide Ownership Documentation

If the applicant is unable to provide sufficient proof of ownership, the Program will:

- Obtain an abbreviated title report to determine current ownership in addition to ownership as of a date prior to October 8, 2016 and/or September 14, 2018, depending on which qualifying event caused damage to the home; or
- Conduct any further investigation or require further information or documentation from the applicant as may be necessary to determine ownership.

2.3.3.7 Successors in Interest

For the purposes of funding assistance from the Rehabilitation or Reconstruction Program, alternative methods to document ownership may be proven in the following manner:

1. Applicants may prove ownership by providing documentation and certifying on the application that one of the following circumstances applies:
   i. No other party has the right to claim ownership.
   ii. Everyone who has the right to claim ownership has agreed to participate in the program.
   iii. A party in addition to the applicant who has the right to claim ownership could not be located (after all reasonable attempts have been made).

The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster.

2.3.4 Required Primary Residency and Occupancy Documentation for Rehabilitation and Reconstruction

The property receiving assistance must have been occupied as at least one of the applicant's primary residence at the time of the disaster. If the applicant is an immediate family member who has inherited the property from the owner at the time of the disaster, it must be shown that the person who was living in the home was using it as their primary residence at the time of damage. Methods to verify primary residence must be coupled with occupancy documentation as follows:

- *Primary Residency* (to include, but not limited to):
  - 2016 (2018 for Hurricane Florence) tax records/bill or County Assessor's records of ownership listing the damaged address at the time of the storm.
  - Driver's license listing the damaged dwelling address valid at the time of the storm.
  - Voter registration along with valid driver's license listing the damaged dwelling address valid at the time of the storm.
  - FEMA letter showing payment received for home repairs or contents.

  and one of the following *Occupancy* documents (to include, but not limited to):

- Copy of electric, gas, water, trash, sewage, cable or landline phone bill. The bill must confirm that service was provided in the month preceding or the month of October 2016 for Hurricane Matthew or September 2018 for Hurricane Florence (depending on which qualifying event caused damage to the home) and must match a name and address on the program application. Bills must reflect usage of services indicative of occupancy.
- Letter from electric, gas, water, trash, sewage, cable or landline phone company. The letter must confirm that service was provided in the month preceding or month of October 2016 (or September 2018 for Hurricane Florence) and must match a name and address on the Program application.
- Copy of credit card bill sent to damaged property in the month preceding or month of October 2016 (or September 2018 for Hurricane Florence) and matching a name and address on the Program application.
- Copy of bank statement sent to damaged property in the month preceding or month of October 2016 (or September 2018 for Hurricane Florence) and matching a name and address on the Program application.
- Other occupancy documents may be considered by the Program on a case-by-case basis.

2.3.4.1 Special Circumstances Related to Occupancy

The following exceptions apply under special circumstances related to occupancy:

- Active duty military personnel who own a storm-damaged home in an eligible county or zip code but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the storm are eligible to apply.
- Applicants incapacitated due to illness who own a storm damaged home in an eligible county or zip code and are currently incapacitated or were incapacitated at the time of the storm are eligible to apply. If the applicant is currently incapacitated, an authorized legal representative or next of kin must make application for the benefit of the applicant.
- Applicants with damaged property from Hurricane Matthew and/or Hurricane Florence in an eligible county or zip code who were incarcerated at the time of the storm but are no longer incarcerated are eligible to apply for the Program. If the applicant is incarcerated at the time of application, the applicant must give someone power of attorney on his or her behalf.
- Applicants who were in a nursing home at the time of the storm but are no longer in a nursing home are eligible to apply for the Program. If the applicant is in a nursing home at the time of application, the applicant must give someone power of attorney on his or her behalf. A co-applicant or the recipient of the power of attorney must occupy the property.

Regardless of the special circumstances, all eligible applicants must be able to comply with the terms of the Program Grant Agreement.

2.3.5 Documentation Required to Verify Damage for Rehabilitation and Reconstruction

The property must have sustained damage because of the October 8, 2016 (Matthew) and/or September 14, 2018 (Florence) disaster. Records or documentation to demonstrate damages include:

- National Damage Insurance Program, NFIP report or documentation;
- Insurance adjuster estimate;
- Insurance claim inspector report and/or letter of denial;
- Impacted unit of local government inspector's report;
- FEMA file describing damage and award;
- SBA letter or inspection report describing damage;
- Demolition permit;
- Photographs that physically demonstrate and describe/show the damage to the home with a date stamp after the qualifying disaster;
- Inspection or engineer's report at the time of the disaster from a licensed contractor; or
- Other acceptable sources that can provide reports or evidence of damage, such as local/state governments, private non-profit relief assistance, homeowners associations and program damage assessments.

2.3.6 Prioritization of Rehabilitation and Reconstruction Applicants and Income Requirements

LMI households will have first priority. All elements of a file being otherwise equal, the LMI applicant will advance before other applications for assistance. The location of ReBuild NC Centers were selected to maximize LMI participation.

To be eligible, applicants must provide a current IRS 1040 tax return for all household members over the age of 18 who are required to file a tax return. If an IRS tax return is not available, applicants may be required to disclose all sources of income and provide additional acceptable documentation to NCORR or contractor in accordance with Section 2.8 of this manual.

2.3.7 Maximum Award Amount

The maximum award amounts for the Rehabilitation and Reconstruction Program are:

- **$70,000** for home rehabilitation
- **Based upon actual reconstruction bids** for Program approved floorplans. The Program has established a reasonable $/SF cost which caps the award amount. Multiple floorplans will be made available for selection by homeowners based on the damaged property's heated square footage, bedroom and bath composition and HUD's occupancy requirements as described in Section 5.2.1 Reconstruction Estimates, Plans and Specifications below. Funding above the reconstruction cap may be provided for additional costs related to elevation, environmental remediation, and ADA accessibility as required.

To be eligible, rehabilitation or reconstruction projects must be completed in compliance with program requirements.

2.3.8 Minimum Award Amount

The minimum rehabilitation assistance is $1,000. Rehabilitation assistance in this context is the same as the award amount. A homeowner may have a calculated ECR greater than $1,000, but due to duplication of benefits or non-scope items the total award may be less than $1,000. In these instances, the homeowner is ineligible for assistance.

Homeowners with a combined reimbursement and rehabilitation assistance award greater than $1,000 are eligible to participate. For example, if a homeowner has a $500 reimbursement for work complete and requires $600 in rehabilitation assistance, the total award (rehabilitation assistance) is $1,100 and the homeowner is eligible to participate.

2.4 Manufactured Housing Unit (MHU) Repair and Replacement

The MHU Repair/Replacement program provides assistance to applicants who owned and occupied their damaged manufactured home at the time of Hurricane Matthew or Hurricane Florence. For the purposes of the Program, a manufactured or mobile home is defined as a dwelling unit composed of one or more components substantially assembled in a manufacturing plant and constructed in accordance with the standards established in the U.S. Department of Housing and Urban Development's building code for manufactured housing. This term does not include modular homes that are constructed to meet state and local building code requirements which are addressed by the rehabilitation program.

Depending upon the level of damage and costs of repair, owners of single- or double-wide manufactured or mobile homes can receive funding for repair or replacement. Due to the fact that it is not cost effective to repair manufactured homes that were significantly damaged, repairs to manufactured homes will only be provided in limited circumstances. Outside of the limited circumstances that manufactured home repairs will be eligible, the Program may

provide either the replacement and/or relocation of an existing manufactured home as provided below:

2.4.1 Eligibility Requirements for MHU Repair/Replacement

To be eligible for MHU Repair/Replacement assistance, the following requirements must be met the following eligibility criteria in addition to those listed in Section 2.0:

- Manufactured home must have been damaged or destroyed by Hurricane Matthew or Hurricane Florence and be located in a disaster declared county to receive CDBG-DR funding (see Table 1).
- Manufactured home must have been the primary residence for at least one of the owner applicants at the time of Hurricane Matthew or Hurricane Florence. The damaged home must have been covered by flood insurance at the time of the storm if the home previously received federal funds requiring the maintenance of flood insurance.
- Manufactured home must have less than or equal to $5,000 in damage from Hurricane Matthew or Hurricane Florence basedon program damage assessment ECR report to be eligible for repair. Manufactured homes with damage of $5,000 or more and those that were manufactured prior to June 15, 1976 must be replaced.
- For the second round of applications in 2020, double-wide or larger manufactured homes must have less than or equal to $10,000 in damage based on the the estimated cost of repair (ECR) to be eligible for repair. Double-wide or larger manufactured homes with damages greater than $10,000 and those manufactured prior to June 15, 1976 must be replaced. Single-wide damage thresholds are the same for both application periods.
- Applicant must have ownership or legal authority to enter into a funding agreement.
- Applicant must allow access to the damaged property for all program-related staff, inspectors, or contractors.

2.4.2 Ineligible Structures for MHU Repair/Replacement

Structures ineligible for assistance include the following:

- Manufactured homes with less than $1,000 in damages, as the sum of the estimated cost of repair (ECR) and the damage repair verification (DRV).
- Manufactured homes with a serial number different than that on the title documentation submitted to the Program and/or on inspection report photos.
- Second homes.
- Homes seized and/or foreclosed.

- Damaged home not covered by flood insurance at the time of the storm ifpreviously funded with federal funds requiring the maintenance of flood insurance.
- Seasonal, short-term and vacation rental properties are not eligible for assistance.
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within runway clear zones of either a civil of military airport are not eligible.
- Garages, carports, sheds and outbuildings not attached to the main dwelling unit are not eligible for repair or replacement. Improvements must be physically attached to the house and be permanent in nature.

Manufactured homes constructed prior to the enforcement of the Manufactured Home Construction and Safety Standards, effective June 15, 1976, are not eligible for rehabilitation and must be replaced.

2.4.3 Required Ownership Documentation for MHU Repair/Replacement

To be eligible for MHU Repair/Replacement assistance, at least one applicant must be an owner of the damaged property prior to October 8, 2016 and/or September 14, 2018 through the end of the period of participation in the MHU Repair/Replacement Program and must otherwise meet the requirements of the Rehabilitation or Reconstruction Program listed at Section 2.3.3 and subsections above. If the owner of the damaged property has died, the property may qualify for assistance if the person who inherits the property meets the Program requirements for heirship.

2.4.3.1 Manufactured Home Titles

Applicants applying for assistance for a manufactured home must establish ownership of the manufactured home as of October 8, 2016 and/or September 14, 2018. Ownership of the manufactured home can be established by providing any of the following:

- A Certificate of Title from the Department of Motor Vehicles.
- Tax Assessor records showing land with a manufactured home assessment in the name of an applicant.
- Title from the county land records showing manufactured home ownership.
- The bill of sale or other act executed by the applicant, as transferee, and the previous owner or dealer as transferor.
- Property tax bill listing immobilized manufactured home.
- Manufactured home loan mortgage statement.

The serial number of the manufactured home listed in documentation provided by the applicant must match the serial number on the ownership documentation above and be

confirmed by photograph by the inspector during the property damage inspection. If the damage inspector is unable to photograph the serial number, the Applicant will be required to complete the MHU VIN Certification form at the time of award.

In addition to the title of the manufactured home, MHU Repair/Replacement applicants who own the property must also provide the Program with ownership documentation for the land.

2.4.4 Required Primary Residency and Occupancy Documentation for MHU Repair/Replacement

The manufactured home receiving assistance must have been occupied as at least one of the owner applicant's primary residence at the time of the disaster. If the applicant is an immediate family member who has inherited the property from the owner of the property at the time of the disaster, it must be shown that the person who was living in the home was using it as their primary residence at the time of the damage. The methods and conditions of demonstrating occupancy are identical to those listed in Section 2.3.4 and subsections above.

2.4.5 Documentation Required to Verify Damage for MHU Repair/Replacement

The property must have sustained damage because of the October 8, 2016 or September 14, 2018 disaster. Records or documentation to demonstrate damages may include:

- NFIP report or documentation;
- Insurance adjuster estimate;
- Insurance claim inspector report and/or letter of denial;
- Impacted unit of local government inspector's report;
- FEMA file describing damage and award;
- SBA letter or inspection report describing damage;
- Demolition permit;
- Salvage title for the manufactured home dated after Hurricane Matthew or Hurricane Florence;
- Photographs that physically show the damage to the home with a date stamp after the qualifying disaster;
- Inspection or engineer's report at the time of the disaster from a licensed contractor;or
- Other acceptable sources that can provide reports or evidence of damage, such as local/state governments, private non-profit relief assistance, homeowners associations, and program damage assessment.

2.4.6 Prioritization of MHU Repair/Replacement Program Applicants and Income Requirements

LMI households will have first priority. All elements of a file being otherwise equal, the LMI applicant will advance before other applications for assistance. The location of ReBuild NC Centers were selected to maximize LMI participation.

To be eligible, applicants must provide a current IRS 1040 tax return for all household members over the age of 18 who are required to file a tax return. In rare cases when an IRS tax return is not available, applicants may be required to disclose all sources of income and provide additional acceptable documentation to NCORR or contractor in accordance with Section 2.8 of this manual.

2.4.7 Maximum Award Amount

The maximum award amounts for the MHU Repair/Replacement program are:

- **Up to $5,000** for repair of manufactured homes for the first round of applications (May 2019).
- **Up to $5,000** for repair of single-wide manufactured homes or **Up to $10,000** for the repair of double-wide or larger manufactured homes for the second round of applications (2020).
- **Full** replacement of single-wide or double and triple-wide manufactured homes, based on the pre-existing unit.
  - ADA compliant units are available if required
  - Includes demolition and removal of the damaged unit as well as delivery, setup, and installation of the new unit.

Additional funding may be provided if the costs related to the following exceed Program caps: demolition and/or removal of the existing manufactured home, permitting or site preparation of the new manufactured home, and/or elevation.

To be eligible, applicant repair or replacement projects must be completed in compliance with program requirements.

2.5 Reimbursement

Applicants may be eligible for reimbursement of the cost of eligible work paid for with the applicant's private funds. In accordance with HUD guidance for pre-award cost issued on September 15, 2015 (CPD-15-07), only eligible work performed and completed to recover from Hurricane Matthew on the earlier of the date that the applicant applied for Program assistance or September 14, 2018 is eligible for reimbursement. Applicants impacted by Hurricane Florence may be eligible for reimbursement up to the date of the application for assistance **or** September 14, 2020. In addition, the applicant must stop work on the damaged property on or

before the date of applying for program assistance. No applicant will be eligible for any reimbursement unless and until the damaged property passes all environmental reviews and obtains all necessary clearance.

Prior to receiving any reimbursement assistance, an applicant must execute, under the penalty of perjury, a certification that all repairs subject to the reimbursement award were made within the time frame described above, were directly caused by Hurricane Matthew or Hurricane Florence, and paid for with the applicant's private funds. See Reimbursement Certification on the ReBuild NC website (https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program).

2.5.1 Eligible Applicants

To be eligible for reimbursement, applicants first must meet all the eligibility requirements pertaining to the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program, whichever is applicable. In addition to the eligibility requirements for their structure type, applicants must:

- For Hurricane Matthew reimbursement: Have performed work to be reimbursed prior to the date of application to the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program or September 14, 2018, whichever is earliest.
- For Hurricane Florence reimbursement: Have performed work to be reimbursed prior to the date of application to the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program or September 14, 2020, whichever is earliest.
- Certify, under penalty of perjury, that the repairs were completed before the application date or the applicable date above based on the disaster, whichever is earliest.
- Certify, under penalty of perjury, that work on the damaged residence was stopped on or before the date of applying to the Program for assistance.
- Clear all environmental reviews and receive clearance as required by the Program and HUD regulations.
- Complete elevation of the home if required by the Program and HUD regulations.

2.5.2 Eligible Reimbursement Expenses

Reimbursement is limited to only those expenses determined to be eligible by the Program, as assessed on a component-by-component basis, minus any duplication of benefits. Eligible expenses will be based on Xactimate, a standardized pricing tool commonly used by the construction industry, which will be used to assess the damaged property. The eligible reimbursement amount may be less than the actual price paid by the applicant. Receipts will not be accepted as verification of completed work and/or justification to increase any line item in the repair estimate.

The Program recognizes that there may be circumstances when the applicant disagrees with the scope of the estimate and may file an appeal. If an applicant files an appeal they may submit supporting documentation such as receipts, contracts or photos for consideration in the appeal. The receipts will be reviewed to verify if the scope of work used in Xactimate is accurate. However, the Xactimate pricing and standard grade materials list may not be appealed unless there are extenuating circumstances such as the property is on the National Register of Historic Places. All reimbursable expenses must have been reasonable and necessary for the property to pass an HQS inspection.

Based upon the damages to the applicant's home, the following rehabilitation or repair items may be eligible for reimbursement:

- Plumbing, electrical systems, heating, ventilating, and air conditioning systems;
- Fuel systems for cooking, septic systems, water wells;
- Windows, doors, roofs, interior floors;
- ENERGY STAR compliant stoves and refrigerators;
- Repairs to allow access to the structure;
- Elimination of health and safety hazards;
- Structural components of the damaged property;
- Blocking, leveling, and anchoring of a manufactured home and re-setting or reconnecting its sewer, water, electrical and fuel lines/tanks;
- Tool and equipment rental;
- Any allowance eligible for a repair and any allowance set forth below.

This list is not meant to be exhaustive, but illustrative of eligible items that may be necessary and reasonable to return the damaged property to a decent, safe, and sanitary condition.

In some instances, such as for elevation, MHU replacement, or other items not able to be assessed during the damage repair verification, the Program may request receipts and proof of payment to substantiate that work was performed and calculate the amount of the reimbursement.

2.5.3 Ineligible Reimbursement

The following types of repairs and expenses are not eligible for reimbursement. This is not an all-inclusive list.

- Repairs made after the date of application to the program or the applicable dates listed in Part 2.5.1, whichever is earliest.

- Personal property (e.g., furniture, vehicles, food, clothing, etc.).
- Repairs made to non-residential structures that are not attached to the damaged property (e.g., pools, sheds, detached garages, carports,etc.).
- Playground equipment, satellite dishes and security systems.

In addition, the Program is prohibited from paying funds toward a project that does not result in the full rehabilitation of the applicant's dwelling to include the remediation of asbestos and lead-based paint and elevation, if required. As such, the Program does not reimburse applicants who have already begun to repair their manufactured or site-built home when the Program will replace the manufactured home or reconstruct the site-built home. However, applicants in these situations may reduce their duplication of benefits assessment. For manufactured homes that will be replaced, a duplication of benefits reduction is possible when the applicant provides documentation that the repairs made to a damaged manufactured home were made prior to application to the program or the applicable dates listed in Part 2.5.1, whichever occurred first. For other eligible structures that will be reconstructed, a duplication-of-benefits reduction is possible if the Program can assess the value of the repairs using the estimating methodology discussed above.

2.5.4 Reimbursement Options

Applicants may be eligible for reimbursement in two scenarios:

- Where all the repair work to the damaged property has been completed.
- Where some repairs have been completed and some repairs remain incomplete.

2.5.4.1 Reimbursement Only

Applicants who have completed all repairs or reconstruction, including elevation, if required, are eligible for reimbursement upon confirmation by the Program that the work has been completed and the costs for repairs are reasonable and that damaged property is in a decent, safe and sanitary condition. Completion of work includes all environmental testing and remediation as required by HUD. The applicant will be required to execute a Program-approved reimbursement grant agreement prior to receiving any reimbursement.

2.5.4.2 Reimbursement and Rehabilitation

Applicants with prospective repairs remaining to be completed may be eligible for reimbursement for completed repairs, only if the applicant signs a Reimbursement and Rehabilitation Grant Agreement allowing the Program to bring the property up to HUD's HQS.

2.5.5 Prioritization of Applicants and Income Requirements for Reimbursement

LMI households have priority for assistance. As of V5.0 of the HRP Manual, new applicants must earn 80% AMI or less to be eligible for reimbursement assistance. New applicants seeking

assistance after V5.0 of the HRP Manual earning between 81 – 120% AMI may be eligible for reimbursement by providing support for a hardship.

To be eligible, applicants must provide a current IRS 1040 tax return for all household members over the age of 18 who are required to file a tax return. If an IRS tax return is not available, applicants may be required to disclose all sources of income and provide additional acceptable documentation to NCORR or contractor in accordance with Section 2.8 of this manual.

2.5.6 Maximum Award Amount

The maximum award amount for reimbursement is **$70,000.**

2.6 Temporary Relocation Assistance (TRA)

Administration of TRA Program is included in the NCORR Uniform Relocation Act (URA) Policy Manual and associated procedures.

Tenants located in Program-assisted housing units are protected by the *Uniform Relocation Act* (URA) and will be relocated, if required, in accordance with the NCORR Uniform Relocation Act Policy.

2.6.1 Program Eligibility

To be eligible for TRA, applicants first must meet all the eligibility requirements pertaining to the Homeowner Recovery Program, whichever is applicable. In addition to the eligibility requirements for their structure type, the owner-occupant must be approved for and be eligible for assistance for Homeowner Recovery Program as evidenced by a fully executed grant agreement for Rehabilitation, Reconstruction, Manufactured Home Repair, or Manufactured Home Replacement and the owner-occupant must be required by the Program to temporarily relocate to complete the rehabilitation, elevation, reconstruction, replacement, or environmental remediation, as evidenced by a 15 day notice to vacate. Applicants requiring additional time may request a time extension, consistent with NCORR Optional Relocation Procedure.

Eligible expenses, up to $12,000, include the following:

- Moving expenses
- Monthly rent
- Hotel expenses (for short-term stays only)
- Storage

Funding limits for individual items, such as limits on hotel stays and monthly expenses, are set in the *NCORR Optional Relocation Procedure*. All TRA assistance must be determined to be necessary and reasonable.

Recipients of TRA assistance are responsible for providing NCORR with all documentation related to eligible expenses to include rental or storage leases, bills, paid invoices, cleared checks, etc. Undocumented expenses will not be reimbursed by NCORR. In addition, all anticipated expenses must be approved in writing in advance of the applicant incurring the expense.

2.6.2 Prioritization of TRA Applicants and Income Requirements

Households at 120% AMI or below are eligible for TRA assistance. Applicants with income above 120% AMI may be eligible in cases of financial hardship. Applicants must present evidence of the financial hardship. To be income eligible, applicants must provide a current IRS 1040 tax for all household members over the age of 18 who are required to file a tax return. If an IRS tax form is not available, may be required to disclose all sources of income and provide additional acceptable documentation to NCORR or contractor in accordance with this manual.

2.6.3 Program Cap for Assistance

The maximum amount of TRA to be provided is **$12,000 for a period of 1 year**, unless extended by the Program due to a delay in construction activities. The TRA cap is in addition to program caps for rehabilitation, reconstruction, elevation, MHU repair or MHU replacement.

2.7 Flood Insurance Assistance (FIA)

The FIA program provides monetary assistance to cover flood insurance premiums for a maximum of 2 years. This program is limited to LMI applicants whose damaged property is located in the 100-year floodplain. Applicants who live in the 100-year floodplain and receive any assistance under the Homeowner Recovery Program are required to maintain flood insurance on the damaged property for the life of the property. Depending upon the type of assistance and the insurability of the property, applicants who are required to obtain and maintain flood insurance may be required to show proof of insurance at both the time of assistance and upon completion of the project.

2.7.1 Program Eligibility

To be eligible for FIA, applicants first must meet all the eligibility requirements pertaining to the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program, whichever is applicable. In addition to the eligibility requirements for Program:

- The owner-occupant must qualify as LMI;
- The damaged property must be located in the 100-year floodplain, required to have flood insurance, and insurable;
- The owner-occupant must be approved for and be eligible for assistance for the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program as evidenced by an Award Letter;

- The applicant must be able to purchase the full amount of his or her floodinsurance premium if this amount exceeds the FIA program cap;
- If an applicant does not occupy the home as their primary residence for the term of the insurance premium, they will be required to repay the program a pro-rated portion of the FIA award. Applicants who relocate to another primary residence during the term of the FIA are required to notify NCORR and repay an amount calculated based on the remaining portion of the insurance policy.
- In accordance with their Rehabilitation, Reconstruction, or MHU Repair/Replacement Program Grant Agreement, applicants must agree to maintain flood insurance for the life of the property and notify subsequent owners of this requirement; and
- Applicants must agree to list NCORR as an "additional insured" on the flood insurance policy if the Program is required to pay the premium on behalf of the applicant. This requirement does not apply to applicants seeking reimbursement for flood insurance premiums.

For all damaged property located in a 100-year floodplain receiving assistance, applicants that are required to maintain flood insurance as a condition of receiving prior federal assistance must provide the Program with proof of flood insurance as a prerequisite of signing the grant agreement and again at the completion of the project prior to final disbursement. Reconstruction projects will not be required to show proof of insurance as a prerequisite of signing the grant agreement but will be required to provide proof of insurance prior to final disbursement. Potentially eligible applicants will be evaluated for FIA eligibility in Step 5 of the 8-step process. Applicants will be notified of their eligibility during the award notification process.

2.7.2 Prioritization of FIA Applicants and Income Requirements

FIA assistance is limited to LMI households with incomes at 80 percent AMI or below.

To be income-eligible, applicants must provide a current IRS 1040 tax return for all household members over the age of 18 who are required to file a tax return. If an IRS tax return is not available, applicants may be required to disclose all sources of income and provide additional acceptable documentation to NCORR or contractor in accordance with Section 2.8 of this manual.

2.7.3 Eligible Expenses

To receive FIA, applicants have two options:

- If the applicant has already obtained flood insurance for the property, the applicant can provide the Program with a copy of the flood insurance premium invoice and flood insurance policy currently in effect for review by the Program. In order to be

reimbursed, the policy must: 1) be current, 2) provide sufficient coverage for the damaged address, and 3) cover the program required timeframe (i.e. from grant agreement to construction completion, or from closeout to 1 year after closeout.).

- Applicants who do not currently have flood insurance can obtain a quote from their insurance agent which meets program requirements. In these cases, the premium will be paid directly to the insurance agent and NCORR will be named as an additional insured.

2.7.4 Program Cap

The maximum amount of FIA is **$2,000 for flood insurance for a period of 2 years**. This assistance must cover the lesser of (i) the full insurable value of the structure as determined by the insurer, or (ii) the maximum amount available for the structure under the National Flood Insurance Program. Applicants with flood insurance premiums exceeding the program cap will be responsible for paying the difference.

2.8 Income Verification Procedures

To verify income eligibility for applicants of all HRPs, the Program will use the 1040 method in accordance with the *Technical Guide for Determining Income and Allowances for the HOME Program* (third edition, January 2005). The IRS Form 1040 method of calculating income is often referred to as the Adjusted Gross Income or AGI method.

2.8.1 Definition of 1040 Method

IRS Form 1040 Adjusted Gross Income: Citizens of the United States and resident aliens, except those with gross incomes that fall below a certain level, are required to file an income tax return with the Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The definition of adjusted gross income (AGI) is based on this form, also commonly referred to as “the long form.”

AGI is listed on the 1040 tax form and is the dollar figure used to determine an applicant’s income eligibility for participation in NCORR’s CDBG-DR Programs. Under HOME regulations, the 1040 EZ “short form” may not be used to determine applicant eligibility.

However, CDBG Programs use the IRS definition of annual income in different ways than HOME:

- CDBG does not require use of the long form.
- CDBG allows tax returns as proof of income.
- Documentation for CDBG income qualification can be up to 12 months old.

Note: NCORR requires a 12-month re-certification of income as accepted by CDBG rather than 6 months as required by the HOME program.

2.8.2 Verifying Income

NCORR will allow and use the most current 1040, 1040A, 1040 EZ, or IRS Form 8879 to determine household income. The HUD Income Limits for the year when assistance was applied for will be used to determine income eligibility. These income limits will remain in effect until HUD issues Income Limits for the subsequent year. If an applicant has already completed an income determination prior to the new HUD income limits being published, then the income determination will stand under the income year that the determination is made. If it has been 12 months since income determination was made but there has not been an award, then the income will have to be re-verified.

If an applicant is still in the process of providing documentation for an income determination but documentation is not complete and no income determination has been made at the time the income limits change, then the applicant will be qualified under the new HUD limits.

Annually, income limits will be based on the most recent HUD-published income limits. Table 9 is used when requesting the most current IRS 1040 Tax Return.

Table 9: Schedule Requesting the Most Current Tax Return.

Timeframe of Application Submission	Eligible 1040 Income Tax Documentation
April 16, 2017–December 31, 2017*	2016 Or, 2015 filed 1040 plus a filed extension for 2016 and signed certification (*2016 extension only valid through October 15, 2017)
January 1, 2018–April 15, 2018	2016 Or, 2017 if early file
April 16, 2018–December 31, 2018**	2017 Or, 2016 plus filed extension and signed certification (**2017 extension only valid through October 15, 2018. IRS granted a further extension through January 31, 2019, for certain counties impacted by Hurricane Florence. See counties below.***)

Timeframe of Application Submission	Eligible 1040 Income Tax Documentation
January 1, 2019–April 15, 2019**	2017 Or, 2016 plus filed extension and signed certification (**2017 extension only valid through October 15, 2018. IRS granted a further extension through January 31, 2019, for certain counties impacted by Hurricane Florence. See counties below.***) Or, 2018 if early file
2020 (Second Application Period)	2020

****North Carolina counties given IRS 2017 filing deadline relief through January 31, 2019: Anson, Beaufort, Bertie, Bladen, Brunswick, Carteret, Chatham, Columbus, Craven, Cumberland, Dare, Duplin, Greene, Harnett, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Montgomery, Moore, New Hanover, Onslow, Pamlico, Pender, Pitt, Richmond, Robeson, Sampson, Scotland, Tyrrell, Wayne, and Wilson.*

NCORR requires that persons responsible for this verification to validate income at the time of application; however, additional income-verification adjustments may occur at any time because of life-changing events such as the loss of a job or death in the family.

Upon submission of the prior-year IRS 1040 Tax Return, each household will be required to certify that its current annual income is substantially similar to that reflected on the document. For the purposes of this policy, the household's income must still be within 20 percent of income reported on the 1040 tax form. If the applicant's income has changed by more than 20 percent from the last tax filing, the Program will follow the same process to determine household income as stated below for persons lacking 1040 documentation.

2.8.3 Household Size

In determining the size of a household for the purposes of reporting income as part of this Program, HUD considers all persons who live in the same house to be household members. Household members may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share the same house. To determine income eligibility, income must be provided for each person in the household who is 18 years of age or older.

2.8.3.1 Non-household Members

Some households may include persons who are not considered as members of the household for the purposes of determining household size. The following persons should not be counted as household members when determining household size and should not be included when reporting annual household income:

- Foster children
- Foster aides
- Live-in aides and children of live-in aides
- Unborn children (not considered in household size for income eligibility calculation but considered for bedroom count)
- Children being pursued for legal custody or adoption who are not currently living in the household

A child who lives in the house at least 50 percent of the time and is named in a shared-custody agreement can be counted in the household. Applicants have the option to include permanently absent family members who can be classified as household dependents, such as children attending college or a family member in a nursing home. The head of household has the choice of either counting that person as a member of the household and including their income or determining that the person is no longer a member of the household.

2.8.4 Household Income Calculation Method

In all cases where the applicant provides or can produce a 1040 tax return, the Salesforce income calculator module is used to determine household income. This module mirrors the HUD 1040 income calculator method. If there is not a 1040 tax form for one or all household members and all efforts are exhausted to obtain the tax return, NCORR will alternatively use the Income Certification Form to calculate income or Certificate of Zero Income Form, found on the ReBuild NC website (https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program).

This form will only be used when the applicant is not required to file or in those rare occasions where the applicant is unable to file a tax return.

When the applicant says he or she has filed taxes but does not have proof, the Program may request that the applicant obtain a copy of their 1040 transcript. Persons who have filed and do not provide proof of filing may be determined ineligible for the Program.

2.8.5 CDBG-DR Priorities

Income determinations following this policy will be used by NCORR to assist with prioritizing applicants. NCORR has determined that all income will be determined following this policy and that income determinations may be used in other processes for awarding assistance to households.

2.8.6 Income Calculator

NCORR uses the Salesforce income calculator module to determine household income. This module mirrors the HUD 1040 income calculator method as defined on HUD's website at https://www.hudexchange.info/incomecalculator

For those who did not file a 1040 or whose income increased more than 20%, the following documentation (when applicable) will be required from all persons living in the household who are 18 or older:

- Current and consecutive check stubs for 3 months
  - For persons paid weekly, this equals 12 consecutive paychecks.
  - For persons paid bi-weekly or bi-monthly, this equals 6 consecutive paychecks.
  - For persons paid monthly, this equals 3 consecutive paychecks.
- Pension statement showing current monthly or yearly gross amount
- Social security statement or 1099
- Unemployment statement
- Certification of Zero Income

3

DUPLICATION OF BENEFITS

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3.0 Duplication of Benefit Check

In accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act, (42 U.S.C. §5121 - 5207), applicants must disclose all financial assistance awarded and/or received in response to their storm-related damage, including the following sources:

- FEMA
- NFIP and ICC
- SBA
- Private insurance
- Private or nonprofit organizations or donations
- *Disaster Recovery Act* (DRA) funding
- Other state, local, or federal programs

More specifically, the following are sources of funding assistance provided for structural damage, loss repair, relocation and other disaster assistance that are considered a duplication of benefits and, under federal law, must be deducted from any grant assistance amount.

3.1 Qualifying Event

The Homeowner Recovery Program is funded by two separate allocations; A CDBG-DR allocation for Hurricane Matthew Recovery (Public Laws 114-245 and 115-31) and a CDBG-DR allocation for Hurricane Florence Recovery (Public Laws 115-254 and 116-20). In accordance with 42 U.S.C. §5155, NCORR has instituted a policy by which "no person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source." As it is the assistance received to recover for each loss which is considered in the analysis of duplication of benefits, only funds received to recover from the event (qualifying event) are considered in the analysis of what funds are duplicative. In determining duplicative assistance, the qualifying event is the disaster for which the Program ties the applicant's loss to (i.e. the tieback) and is the disaster which the Program reviews for duplicative assistance received by the applicant.

Applicants applying for assistance in the 2020 reopening of applications will apply for funding for recovery from a single qualifying event, as indicated in their application materials submitted to the program. Assistance received to recover from Hurricane Matthew is compared to the CDBG-DR award to recover from Hurricane Matthew, as outlined below. Assistance received to recover from Hurricane Florence is compared to the CDBG-DR award to recover from Hurricane Florence, as outlined below. Assistance received to recover from a different qualifying event than the one which the applicant has been established to be recovering from is considered non-duplicative and is not included in the DOB calculation. Although applicants will apply for funding

for recovery from a single qualifying event, the applicant will still be asked to provide supporting documentation to substantiate the tie-back to the single qualifying event.

The Program determines the qualifying event for which the applicant can demonstrate tieback to. Applicants may need to provide additional documentation to determine which storm is the qualifying event for their application for assistance. In some instances, the tieback is not able to be documented to the disaster for which the applicant applied for assistance. In those instances, the Program accepts a self-certification for which disaster impacted the applicant. The self-certification will only be accepted as a means of last resort if the applicant is unable to provide supporting documentation to support the tie-back to one qualifying event.

3.2 FEMA Individual Assistance (IA)

FEMA IA will be determined and verified for the qualifying event by the Program through the FEMA NEMIS database. If the Program is unable to verify the FEMA IA amount through the FEMA NEMIS database, it will use the payment amount disclosed by the applicant at the time of application. If an applicant can provide documentation demonstrating that the FEMA IA amount provided by the FEMA NEMIS database includes amounts not paid to cover structural loss, the Program will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

3.3 FEMA National Flood Insurance Program (NFIP) and Increased Cost of Compliance (ICC)

The Program will collect NFIP flood insurance and ICC payment information from the applicant through the application process for the qualifying event. In addition, the Program will work directly with NFIP to verify the information provided by the applicant

Exception: Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits, as long as documentation from the mortgage company shows that the payoff was involuntary. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the Program will attempt to verify this information with the applicant's mortgage company. *Voluntary* mortgage payoff using insurance proceeds is a duplication of benefits that will be counted against an applicant's award.

3.4 Small Business Administration (SBA) and Other Subsidized Loans

On June 20, 2019, HUD published two FR notices: 84 FR 28836 (June 2019 Duplication of Benefits Notice, here after referred to as the "DOB Notice") and 84 FR 28848 (June 2019 Duplication of Benefits Implementation Notice, here after referred to as the "DOB Implementation Notice"). The following policies will apply to the Homeowner Recovery Program which includes Reconstruction, Rehabilitation, and MHU Replacement. Section V.B Subsidized Loans of 84 FR 28836–June 20, 2019, provided guidance on the treatment of subsidized loans in Duplication of Benefits analysis as follows: "The full amount of a subsidized loan available to the applicant for the same purpose as CDBG-DR assistance is assistance that must be included in the DOB calculation unless one of the exceptions in section V.B.2 applies including the exception in V.b.2 (iii) authorized in the DRRA amendments to section 312 of the *Stafford Act* (which applies to disasters occurring between January 1, 2016 and December 31, 2021, until the amendment sunsets October 5, 2023). A subsidized loan is available when it is accepted, meaning that the borrower has signed a note or other loan document that allows the lender to advance loan proceeds." The handling of DOB analysis for Homeowners who accepted an SBA loan is explained below in Section 3.4.3.

3.4.1 Declined SBA Loans

Declined SBA loans are loan amounts that were offered by a lender in response to a loan application for a qualifying event, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. NCORR will not treat declined loans as DOB. The Program will request documentation for the declined loan only if the information received from the third party (SBA, FEMA, etc.) indicates that the applicant received an offer for the subsidized loan and the program is unable to determine from that available information that the applicant declined the loan. The applicant will complete the Subsidized Loan Affidavit. The Program will submit the Subsidized Loan Affidavit to SBA (or another lender) and will re-verify DOB at project completion.

3.4.2 Canceled Loans

Canceled loans are loans (or portions of loans) that were initially accepted for a qualifying event, but for a variety of reasons, the loan commitment terms have expired, the loan has been withdrawn, all or a portion of the loan was not disbursed and is no longer available to the applicant or cancelation was requested by the borrower. The following documentation will be required to demonstrate that any undisbursed portion of an accepted subsidized loan is cancelled and no longer available to the applicant:

- A written communication from the lender confirming that the loan has been canceled and undisbursed amounts are no longer available to the applicant, OR

- A legally binding agreement between the Program and the applicant indicating that the applicant agrees not to take actions to reinstate the loan or draw any amounts in the future.

In the case where the applicant has canceled the loan but has not yet passed the period of availability, the applicant will be required to sign the Subsidized Loan Affidavit. In signing this affidavit, the applicant certifies that they will not take action to reinstate the loan or draw more funds; and that they understand that they are subject to a DOB analysis once the period of availability has passed which could affect their award amount. Further, the affidavit contains the following language: "Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18. U.S. C. 287, 1001 and 31 U.S.C. 3729."

Without one of the documents listed above, any approved but undisbursed portion of a subsidized loan must be included in the DOB calculation of the total assistance unless another exception applies.

For canceled SBA loans, the Program will send the Affidavit of Declined or Canceled Subsidized Loan to SBA as notification that the applicant has agreed to not take any actions to reinstate the canceled loan or draw down any additional undisbursed loan amounts. In cases of canceled loans where partial disbursements were made prior to the cancellation of the loan, the disbursed funds will be treated in accordance with Part 3.4.3 below. As with declined loans, awards with canceled subsidized loans will have DOB re-verified at project close-out.

3.4.3 Active Loans with Disbursed and Undisbursed Funds

A subsidized loan is not a prohibited duplication of benefits under section 312(b)(4)(C) of the Stafford Act, as amended by section 1210 of the DRRA, provided that all Federal assistance is used towards a loss suffered as a result of a major disaster or emergency (qualifying event). As part of the DOB analysis, the Program will exclude disbursed loan amounts in the award calculation, provided the funds were:

- Used properly for the same purpose;
- Provided for a different purpose; or
- Provided for the same purpose as the Program's activities, but used for a different, allowable use as described in Section 3.7 Non-duplicative Assistance.

Applicants with open, subsidized loans will not be required to cancel the loan but will be required to sign a notarized Subsidized Loan Affidavit form. Completion of this notarized affidavit requires the applicant to certify that they will not draw down more funds without the prior approval of the ReBuild NC Program, and that they understand that funds drawn will be subject to a DOB analysis that may affect the award amount. Further, the Affidavit of Subsidized

Loan will be submitted to the SBA or other lender which states that the applicant has agreed to request permission to draw more funds from the ReBuild Program before proceeding.

The Program will revise previously calculated awards for applicants with undisbursed subsidized loan assistance from SBA or other sources to provide additional CDBG-DR assistance. The amount of any additional Program assistance will be based on a revised DOB analysis that excludes accepted but undisbursed loan amounts from the total assistance, as per sections 3.4.1 and 3.4.2 above, when calculating the maximum CDBG-DR awards. The Program will, on a case by case basis evaluate loans remaining open for non-duplicative activities. In cases where the undisbursed loan amount is for potentially duplicative activities, the Program will notify the lender (SBA or other) and will obtain a written agreement from the applicant that the applicant will not make additional draws from the subsidized loan without the Program's approval. Applicable Program funding caps remain in effect for any award amount changes performed under this guidance. The Program will re-verify all DOB at project close-out.

3.4.4 Reimbursement of Subsidized Loans

The Homeowner Recovery Program does not provide reimbursement of subsidized loans to applicants participating in the Program. Subsidized loan amounts that satisfactorily meet the exception criteria outlined in parts 3.4.1 through 3.4.3. above will not be considered a duplication and will therefore not need to be contributed to an escrow payment or otherwise paid by the applicant to execute the Homeowner Recovery Program approved scope of work. If subsidized loans contribute to a DOB calculation that includes other forms of assistance (such as FEMA IA, homeowner's insurance, NFIP claims, etc.) a reimbursement may be paid in excess of those other assistances received but not to include the subsidized loan amount.

3.4.5 Implementation of New DOB Guidance

The Program will recalculate awards which have been completed prior to the implementation of new DOB policy and will issue new award letters as appropriate, subject to all Program caps. Applicants in Steps 1-5, applicants without a homeowner grant agreement (HOGA), applicants who have paid escrow funds to the program, and applicants in a county impacted by a single disaster will not have awards recalculated based on the qualifying event and will remain as calculated. For the treatment of subsidized loans, reimbursement only awards that have already reached the maximum allowable cap or for which the applicants have an open and undisbursed subsidized loan will not be recalculated.

3.5 Private Insurance

All property or casualty insurance, including flood and settlement amounts for loss to dwellings related to the qualifying event, are deducted from the applicant's funding assistance award. Private insurance payments for contents or other non-duplicative expenses are not deducted from the applicant's award. Insurance proceeds are initially determined by the Program through applicant-provided information. Applicants must also authorize the Program to contact third-party private insurance providers to verify information provided by the applicants.

Exception: Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits, as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the Program will attempt to verify this information with the applicant's mortgage company. *Voluntary* mortgage payoff using insurance proceeds is a duplication of benefits that will be counted against an applicant's award.

3.6 Other Assistance

Assistance received for the same purpose of a Homeowner Recovery Program grant for the qualifying event, such as funding provided by a non-profit entity to assist applicants with rebuilding their home, must be reported by applicants through the application process and must be accounted for and verified by the Program. In addition, support documentation related to other duplicative funding sources must be provided by the applicant and verified and applied as a duplication of benefits by the Program.

3.7 Non-duplicative Assistance

Funds that were received from other sources may not always be determined to be a duplication of benefit. If the Program cannot make this determination with the documentation available, the applicant may be asked to provide documentation to support this determination.

Examples of non-duplicative assistance are as follows:

- Funds received for the qualifying event but used for a different eligible purpose.
  - For example, temporary housing assistance or sheltering immediately after the storm would not be duplicative of temporary relocation assistance received at a future date for relocation resulting from rehabilitation or reconstruction activities (TRA).
- Funds received for a disaster declaration other than the qualifying event.
  - For example, homeowner's insurance received for recovery from Hurricane Matthew when the applicant has applied for assistance for recovery from Hurricane Florence, or vice versa.
- Funds not available to the applicant.
  - For example, when insurance funds received must be used for a forced mortgage payoff based on the terms of the mortgage.
- Funds received from a private loan and not guaranteed by SBA.
  - If such funds are related to the repair of the property, the lending institution may require that the loans are satisfied at the time the grant agreement is signed.

- Funds received from SBA or other subsidized loan that meet the exception criteria in Parts 3.4.1 through 3.4.3. above.
- Assets or line of credit available to the applicant.
  - For example, checking or savings accounts and stocks are not duplicative.
- Funds received for repair that have already been used to repair the home.
  - For example, repairs completed using funds received that have been verified by a damage inspection.

3.8 Duplication of Benefits Verification

To comply with the federal prohibition against the duplication of disaster benefits, the Program will:

- Determine an applicant's unmet need before awarding assistance; and
- Verify all sources of disaster assistance received by the applicant by conducting third-party verification, as applicable; and
- Ensure beneficiaries sign a subrogation agreement to repay duplicative assistance if they later receive other disaster assistance for the same purpose.

To meet HUD requirements and verify all potentially duplicative funding, the Program will obtain the best available duplication of benefits information before providing assistance to an applicant. During intake, applicants will be asked to provide all documentation related to other sources of funding for the qualifying event and the amounts of assistance provided. During this process, applicants are also required to sign the *CDBG-DR Consent to Release* form, which allows the Program to conduct third-party verification of applicant-provided information and documentation.

Once applicant-provided information is collected, all duplication of benefits will be verified as outlined in the approved Verification of Benefits (VOB) Standard Operating Procedures. All duplication of benefits documentation will be uploaded into the Program's system of record (Salesforce). Verified duplication of benefits amounts will then be used in the applicant's award calculation.

3.9 Escrowed Funds

If it is determined that an applicant received duplicative assistance for their Homeowner Recovery Program scope of work that has not been accounted for, the applicant must provide NCORR with escrowed funds to be used toward the approved project. The funds must be provided at or prior to the signing of the grant agreement in the form of a cashier's check or money order for the entire escrow amount and will be deposited into an account managed by the State. As the applicant's home is serviced through the Program, the escrowed funds will be

used to pay the construction contractor before any Program funds are paid. When the funds in the State account have been fully disbursed, the grant amount will then be disbursed.

An applicant may also be required to deposit funds in a State account if the cost of their rehabilitation, reconstruction, or replacement project exceeds the applicable Program caps. The same deposit and drawdown procedures outlined above apply to funds escrowed due to Program caps.

3.9.1 Escrow Credit

Once the amount of escrow required from the applicant has been determined, the applicant may pay the escrow directly, or in the case of reconstruction or MHU replacement, may elect to contribute their portion of the escrow amount through alternate means. Applicants participating in the Reconstruction or MHU Replacement tracks of the Homeowner Recovery Program are permitted to change the selection of their reconstructed floorplan or MHU model to a smaller structure or unit in exchange for a credit to the escrow requirement from the applicant based on the resultant reduction in project cost. *This change does not permit a reimbursement to the applicant for the difference credited back to escrow*. The alternate selection must remain satisfactory to house the applicant, based on HUD occupancy requirements at https://www.hud.gov.sites/documents/43503HSGH.pdf. Case Managers will provide a list of suitable alternatives to the Reconstruction or MHU Replacement Program participant from which to choose, if the applicant wishes to receive an escrow credit.

For reconstructions, the amount of the escrow credit is equivalent to the dollar per square foot cap multiplied by the difference in square footage from the floorplan that best fits the applicant's pre-existing square footage and household composition (number of bed and baths) compared to the final floorplan selection. For MHU replacement, the escrow credit is equivalent to the actual price of the model that best fits the applicant's square footage and household composition minus the actual price of the final model selection.

3.10 Subsequent Damages to Applicant Homes

HUD's guidance issued at 76 FR 71060 (November 16, 2011) and refined at 84 FR 28844 (June 20, 2019) recognizes that long-term recovery can be a lengthy process and an applicant's disaster-recovery needs can change at different points of time and after impacts from a subsequent disaster. As a result of this dynamic, a subsequent change in an applicant's circumstances, such as additional damages resulting from another hurricane or storm event, can affect an applicant's unmet need and award calculations. Based on this guidance, it is possible to provide applicants with additional assistance for a later disaster or event damages if the following conditions can be met:

- The applicant can demonstrate tieback to the qualifying event;
- The applicant can demonstrate subsequent damages related to a later event; and

- The subsequent damage and re-evaluation of unmet needs occurs before the initial need for which the assistance was granted has been fully met (e.g., before the damaged house is fully repaired).
  - For example, current participants in CDBG-DR programs subject to another disaster during the recovery period.

Note that this condition does not apply to applicants recovering from Hurricane Matthew or Hurricane Florence, which are funded under separate CDBG-DR allocations and to which an applicant specifically requests funding related to one of those two disasters. Instead, this applies when an applicant is currently seeking CDBG-DR assistance and are in the middle of a CDBG-DR funded recovery effort when their unmet recovery needs change. An example of the application of Program policies regarding subsequent damages and duplication of benefits analysis follows below.

3.11 DOB Examples

3.11.1 Hurricane Matthew Applicant, Impacted by Hurricane Matthew Only

In this scenario, the applicant applied for and received assistance for only one qualifying disaster.

Step #	Description	Amount
1	Identify Applicant's Total Need Calculated at a Point in Time	
	Estimated cost of repair (ECR)	**$60,000**
2	Identify Total Assistance Available	
	Insurance for loss of contents from Hurricane Matthew	$5,000
	Insurance for damage to the home from Hurricane Matthew	$25,000
	FEMA Assistance received for Hurricane Matthew	$15,000
	Total	**$45,000**
3	Identify the Amount to Exclude as Non-Duplicative Assistance (Amounts used for a different purpose, or same purpose, different allowable use)	
	Insurance for loss of contents from Hurricane Matthew (not covered by CDBG-DR programs, i.e. different purpose)	$5,000
	Substantiated through a damage repair verification (DRV) inspection (same purpose, different allowable use)	$25,000
	Total	**$30,000**
4	Identify total DOB Amount (Total Assistance Minus Non-Duplicative Exclusions)	
	Total	**$15,000**

Step #	Description	Amount
5	Calculate Maximum Award	
	Total	**$45,000**
6	Program Cap (if applicable)	
	Total	**$70,000**
7	Final Award (Program Cap = Final Award if Maximum Award is equal to or greater than the Program Cap)	
	Total	**$45,000**

3.11.2 Hurricane Florence Applicant, Impacted by Hurricane Matthew and Florence

In this scenario, the applicant applied for assistance for Hurricane Florence and is eligible to be funded by the Hurricane Florence CDBG-DR program. Assistance received from Hurricane Matthew is not considered duplicative, as it is for a different loss for a different qualifying event for which the applicant is not seeking assistance.

Step #	Description	Amount
1	Identify Applicant's Total Need Calculated at a Point in Time	
	Estimated cost of repair (ECR)	**$60,000**
2	Identify Total Assistance Available	
	Insurance for loss of contents from Hurricane Matthew	$5,000
	Insurance for damage to the home from Hurricane Matthew	$25,000
	FEMA Assistance received for Hurricane Florence	$15,000
	Total	**$45,000**
3	Identify the Amount to Exclude as Non-Duplicative Assistance (Amounts used for a different purpose, or same purpose, different allowable use)	
	Insurance for loss of contents from Hurricane Matthew (different qualifying event and excluded as funds for a different purpose)	$5,000
	Insurance for damage to the home from Hurricane Matthew (different qualifying event, therefore different purpose)	$25,000
	Substantiated through a damage repair verification (DRV) inspection after Florence (different allowable use)	$10,000
	Total	**$40,000**
4	Identify total DOB Amount (Total Assistance Minus Non-Duplicative Exclusions)	
	Total	**$5,000**
5	Calculate Maximum Award	

Step #	Description	Amount
	Total	**$55,000**
6	Program Cap (if applicable)	
	Total	**$70,000**
7	Final Award (Program Cap = Final Award if Maximum Award is equal to or greater than the Program Cap)	
	Total	**$55,000**

3.11.3 Hurricane Florence Applicant, Impacted by a future disaster

In this example, the applicant applied for Hurricane Florence assistance and was actively recovering in the CDBG-DR program when the disaster struck. The unmet need changes after the disaster, and if funds were received to recover post disaster those would also potentially duplicate Hurricane Florence funds.

Step #	Description	Amount
1	Identify Applicant's Total Need Calculated at a Point in Time	
	Estimated cost of repair (ECR)	**$60,000**
2	Identify Total Assistance Available	
	Insurance for loss of contents from Hurricane Florence	$5,000
	Insurance for damage to the home from Hurricane Florence	$25,000
	FEMA Assistance received for Hurricane Florence	$15,000
	Total	**$45,000**
3	Identify the Amount to Exclude as Non-Duplicative Assistance (Amounts used for a different purpose, or same purpose, different allowable use)	
	Insurance for loss of contents from Hurricane Florence (different purpose)	$5,000
	Substantiated through a damage repair verification (DRV) inspection after Florence (different allowable use)	$35,000
	Total	**$40,000**
4	Identify total DOB Amount (Total Assistance Minus Non-Duplicative Exclusions)	
	Total	**$5,000**
5	Calculate Maximum Award	
	Total	**$55,000**
6	Program Cap (if applicable)	
	Total	**$70,000**
7	Demonstrated Additional Unmet Need	

Step #	Description	Amount
	A new damage inspection reveals $5,000 in new damage to repair.	**$5,000**
8	Final Award (Program Cap = Final Award if Maximum Award is equal to or greater than the Program Cap)	
	The new final award includes the necessary repair amount after the new disaster	**$60,000**

3.12 Grant Agreements

All applicants receiving assistance will be required to sign a grant agreement that includes language prohibiting the receipt of duplicative assistance. The grant agreement contains a subrogation clause that gives the Program the right to collect any duplicative payments that are received after an award is made. As part of this agreement, applicants must agree they will report receiving benefits by emailing or calling within 1 month of receipt of additional proceeds and/or benefits. If the applicant fails to report additional insurance proceeds or other disaster benefits, NCORR may require immediate repayment in full of the entire grant amount provided by NCORR.

Recipients of assistance must report any home damage-related assistance they receive for 1 year after the award of Program funds or at program closeout, whichever is sooner.

3.13 Subrogation-Repayment of Duplicative Assistance

All duplicative funding received must be remitted to or accounted for, regardless of when the applicant received it. If applicants receive additional funding for the same purpose as the Homeowner Recovery Program award (permanent repair to damaged property), even after an award is executed, the applicant is required to report the additional funding to the Program. By accepting the award, applicants agree that they will report any duplicative funds to the Program whenever received. Upon receipt of a report that benefits have been received that were not reported in the grant calculation, the Program will recalculate the applicant's award and provide instructions as to whether such funds must be used in construction prior to additional funding by the Program, whether the applicant's award will be reduced by such amount, or whether the applicant must remit such amounts to the Program.

3.14 DOB Due Diligence and Monitoring

Upon the closeout of a homeowner's project, NCORR or will monitor DOB compliance by contacting the various agencies noted above or listed in the original DOB calculation, and by contacting the recipient of CDBG-DR funds. The applicant must repay any assistance later received for the same purpose as those awarded through CDBG-DR funds. For more information, refer to HUD's *Duplication of Benefits Policy Guidance* at 81 FR 83254 (November 21, 2016), 76 FR 71060 (November 16, 2011), and 84 FR 28836 (June 20, 2019).

INSPECTIONS AND ENVIRONMENTAL REVIEW

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4.0 Inspections and Environmental Review

4.1 Damage Assessment

Once an applicant's file is determined to be eligible and a preliminary duplication-of-benefits analysis is completed, the file will be assigned to a damage assessor to conduct an initial site inspection of the applicant's home, followed by an environmental assessment. As a result of the initial site inspection, the damage assessor will produce the following estimates:

- Damage Repair Verification (DRV), which verifies storm related damages and estimates the amount of repairs previously completed to the home.
- ECR for the amount of repairs necessary to bring the home to program standards.

All property improvements identified in the DRV and ECR must tie back to Hurricane Matthew and/or damage from Hurricane Florence, if applicable), address code violations, include Green Building Energy Requirements, eliminate Housing Quality Standards violations, and promote mitigation/resiliency. It is important to note that damage assessors do not evaluate structural damages to a home. The Program will arrange for a licensed, structural engineer to evaluate any indications of structural damage observed or suspected by either the applicant or the damage assessor. Damage Repair Verifications are conducted in accordance with the contract terms for the inspection vendor and with program SOPs.

4.1.1 Verifiable Damages

To be eligible, it must be demonstrated that damages to the structure were a direct result of Hurricane Matthew and/or Hurricane Florence. A damaged property will be considered directly impacted by Hurricane Matthew if its damages were a result of wind, rain, fire, flood, or flying and/or falling objects caused by Hurricane Matthew on October 8, 2016. A damaged property will be considered directly impacted by Hurricane Florence if its damages were a result of wind, rain, fire, flood, or flying and/or falling objects caused by Hurricane Florence on September 14, 2018. The applicant shall certify the connection between Hurricane Matthew and/or Hurricane Florence and the damages shown in the Damage Assessment at the time of grant agreement execution. In the event that the damage inspector is unable or unwilling to conclude that a damaged component or components of the damaged property were directly caused by Hurricane Matthew and/or Hurricane Florence, the applicant may submit further proof of causation in the following forms:

- NFIP report or documentation.
- Private insurance adjuster estimates of damages.
- Insurance claim inspector's report and/or denial letter.
- Local government damage inspector's report.

- FEMA records indicating damages and award.
- SBA letter or damage inspection report.
- Photographic evidence that physically demonstrates the damages and that they were caused by Hurricane Matthew and/or Hurricane Florence.
- Records from a general contractor or other repair trade from a date in close proximity to October 8, 2016 and/or September 14, 2018, describing the damages.

4.1.2 Damage Assessment Photographs

Photographs taken at the initial site inspection of the applicant's property shall include the following elements:

- Front elevation.
- All other exterior elevations.
- Interior photos of all accessible areas.
- Interior/exterior photos of home damage.
- Interior/exterior photos of Housing Quality Standards violations.
- Backyard and side yards.
- Proximity of dwellings to any outbuildings close to the home.
- Visible environmental issues.
- Mechanical rooms and units.
- Attic spaces, if accessible.
- Crawlspace, if accessible.

4.2 Estimated Cost of Repairs (ECR)

The ECR prepared by the damage assessor is a documented line-item-by-line-item estimate of the damages observed during the initial site visit to the applicant's home. The ECR also quantifies materials and labor necessary to repair observed damages.

The ECR is based upon Standard Grade materials within the cost estimates. The ECR uses construction-industry software (Xactimate), which collects costs for materials, labor, and equipment in the local area, in order to arrive at an accurate estimate of repair work.

4.2.1 General ECR Requirements

General ECR requirements are as follows:

- All damages must be tied to Hurricane Matthew and/or damage from Hurricane Florence, if applicable); assistance cannot be provided for deferred home maintenance.
- All improvements must be physically attached to the property and permanent in nature. Site work is eligible only if the applicant's home also receives rehabilitation or reconstruction services, and if the improvement will correct a threat to health and safety.
- All threats to health and safety must be completed before general improvements. These include lead-based paint and asbestos remediation, building code and Housing Quality Standards violations, as well as any site work needed to stabilize the property, control erosion, correct drainage problems, and protect the home from future flooding.
- Exterior work includes roofing, foundations, paint or siding, non-public sidewalks, site grading (to control flooding), utility connections (from property line to the adjacent street), septic systems, well water systems, doors, locks, skirting, leveling, and bracing.
- Interior work includes electrical repairs or rewiring, plumbing, replacement of damaged flooring where it poses a hazard, doors, locks, painting, abatement of lead-based paint and/or asbestos, replacement of inoperable built-in appliances and the installation of damage vents in basements and crawl spaces.
- Incorporating Green Building Requirements (GBR) to include weatherization, and other energy conservation measures such as insulation, caulking, weather stripping, ENERGY STAR appliances, and repair and replacement of windows, doors, and heating systems.
- Modification of project scopes to aid the mobility of the elderly and physically disabled such as installing accessible showers, lever hardware, and ramps; retrofitting toilets to achieve adequate height; moving power points and light switches; widening doorways; and lowering sinks in kitchens and bathrooms. State approval is required for all repairs related to accessibility exceeding $8,000 prior to modifications being included in the scope of work.
- All structures must be inspected for lead-based paint hazards and must comply with the Lead Safe Housing Rule (LSHR) (24 CFR Part 35, subparts B-R). Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from lead-based paint.
- All must be inspected for asbestos-containing material as determined by the HRP.

4.2.2 Ineligible ECR Items

In general, the following items will not be included in the ECR:

- Repair or replacement of detached structures such as carports, sheds, garages, swimming pools, decks, or fences (detached garage repairs or demolition will only be included when required by local codes).
- Any repairs in excess of mid-grade materials.
- Public sidewalks, driveways, roads, and streets (unless addressing access, health, or safety).

For a more detailed list, consult the *Damage Assessment Standard Operating Procedures*.

4.2.3 Sources of ECR data

Prices for construction material and labor vary, often significantly, among suppliers and homebuilding contractors, both regionally and within the same city. To ensure consistency and fairness throughout the affected counties, the Program has selected Xactware's Pricing Data Service and Xactimate Cost Estimating Software. Xactware's Pricing Data Service reports and validates cost information based on actual prices and transactions (e.g., completed bids) that have occurred recently in an impacted area.

ECRs completed by the damage assessors use Xactimate pricing data as of June 2018 to estimate the cost of repairs. Regional pricing from the Fayetteville, North Carolina region will be applied, and local sales tax will be included based on local jurisdictional tax rates.

4.3 Emergency Repairs

In accordance with HUD Guidance issued on December 11, 2012, Environmental Review Processing During Emergencies and Following Disasters under 24 CFR Part 58, "Emergency Repairs" conducted in accordance with the exemption for improvement related to disasters" found at 24 CFR § 58.34 (a) (10) may not disqualify an applicant from participating in the program if they occurred after the applicant's date of application to the program. In general, emergency repairs are temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, and restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration. In order to meet the definition of emergency repairs, the following three (3) conditions must be met:

1. Emergency repairs "do not alter environmental conditions" including any of the following:
    i. Affect significant elements of properties listed on or eligible for listing on the National Register of Historic Places;

ii. Replace, either through rebuilding or major rehabilitation of structures within a floodplain;

iii. Involve inappropriate occupancy of a known hazardous site or site contiguous to a known hazardous site;

iv. Involve work that could adversely impact the habitat of an endangered species; and

v. Alter a buildings footprint.

2. Emergency repairs are "limited to protection, repair, or restoration activities necessary to control or arrest the effects." The activity does not include new additions, relocation, enlargements, demolition, or changes to the primary use of density of occupancy; and includes work that:

   i. Provides temporary protection from further damage to a building or that makes permanent repairs to a damaged building or structure;

   ii. Is for the restoration of essential community services and related utilities and facilities to their condition prior to the disaster without significant change in size or capacity.

3. Emergency repairs are necessary "only to control or arrest the effects from a state or federally declared public disaster or imminent threats to the public safety including those resulting from physical deterioration."

Emergency repairs meeting the definition of 24 CFR § 58.34(a)(10) may not trigger an ineligibility determination for applicants who completed the emergency repairs during the "Stop Work" period. Applicants who are identified as undertaking "emergency repairs" post application, OR prior to the initiation of construction activities, will be asked to submit documentation demonstrating compliance with HUD's definition. All documentation will be reviewed and approved by the NCORR Housing Programs Director and Environmental Manager prior to issuance of an eligibility or appeals decision. All approved emergency repairs will be documented using the *Emergency Repair Approval Form*.

Emergency repairs completed during the "Stop Work" period are not eligible for reimbursement.

Applicants who continued work during the "Stop Work" period that cannot meet the definition of emergency repairs will be determined to be ineligible for the Program. Applicants who were reimbursed for ineligible work or who submit documentation during the appeals process disqualifying them from participating in the Program will also be referred for the recapture of Program funding.

4.4 Environmental Review

Every project undertaken with CDBG-DR funds, including reimbursement, rehabilitation, and reconstruction, and all activities related to that project are subject to the provisions of the *National Environmental Policy Act of 1969* (NEPA), as well as the HUD environmental review regulations at 24 CFR Part 58. To comply with these requirements, the Program must:

- Complete the Tier I and Tier II environmental review process prior to committing funds to an applicant's project through a contract, grant agreement, or disbursing funds; and
- Ensure that no work is started on an applicant's home, even if that work is completed with private funds, prior to the completion of the environmental review process.

Violations of these requirements may jeopardize federal funding to an applicant's project and result in disallowed costs that may have to be repaid or recaptured.

In addition to completing the Tier I and Tier II environmental review process, the Program must address all environmental hazards related to lead-based paint, asbestos, mold, as well as other environmental-permitting requirements and mitigation measures as identified in the Tier II environmental review of an applicant's project. See Environmental Review SOPs for more specific testing and abatement requirements.

It is important to note that the construction activity identified on the Tier II environmental report should match the construction activity scoped for the applicant's project (i.e. rehabilitation, reconstruction, elevation, etc.). If a Tier II environmental review has been completed, but the applicant chooses to change the proposed type of construction activity, the Environmental Review Record (ERR) must be re-submitted for a Tier II environmental review re-assessment capturing the change in scope of work.

4.4.1 Lead-based Paint

4.4.1.1 Lead-safe Certification

At intake, all households in occupancy (owner and tenant occupied) of a CDBG-DR-assisted home shall receive a copy of *Protect your Family from Lead booklet*. The *Lead-Safe Certified Guide to Renovate Right* brochure will be provided by the general contractor 90 days prior to the start of construction. Additional copies will be made available at the centers upon request. The brochure is also available on-line at https://www.epa.gov/sites/production/files/documents/renovaterightbrochure.pdf.

4.4.1.2 Lead-based Paint Risk Assessment

A lead-based paint risk assessment will be conducted on all homes constructed prior to 1978. Prior to estimating the cost of the repairs, the Program will make every attempt to confirm a

property's date of construction. Documentation of identified sources used to determine the age of structure will be maintained with the project file.

The risk assessment will be performed for all structures by a certified risk assessor. Once complete, a copy of the completed risk assessment must be provided to all occupants residing in the structure within 15 days.

Reconstructed Homes: At the initial site inspection, if the property is determined with a high level of certainty to require reconstruction (e.g., it is destroyed or structurally unsafe to enter, or existing conditions are such that the building cannot be rehabilitated), a lead-based paint Risk Assessment will not be conducted unless the determination of reconstruction is changed to rehabilitation. Best management practices are to be utilized during reconstruction.

4.4.1.3 Homes with Lead-Based Paint

If the Risk Assessment identifies the presence of lead-based paint, the Risk Assessor shall ensure that the remediation and clearance of lead-based hazards are properly incorporated into the scope of work for the property.

General Contractors to Follow EPA Rule: All firms performing, offering, or claiming to perform renovations, repairs, or rehabilitation for compensation on damaged properties constructed pre-January 1, 1978 must comply with the EPA's Renovation, Repair, and Painting rule and the EPA's Lead Pre-Renovation Education rule. This means that all general contractors performing rehabilitation on Homeowner Recovery Program properties that are pre-1978 housing must be an EPA-certified firm or procure a North Carolina state-certified abatement firm to conduct the abatement work. A copy of the general contractor and/or lead-based paint abatement firm's lead-based paint certifications and certifications of their lead abatement supervisor and workers will be uploaded to the applicant's file.

In accordance with 25 CFR § 35.930(c), a residential property receiving an average of more than $5,000 and up to $25,000 per unit in federal rehabilitation assistance will include a scope of work to perform interim controls of all presumed lead-based paint hazards, implement safe work practices during rehabilitation work, and repair any paint that is disturbed and is known or presumed to be lead-based paint. In accordance with 24 CFR § 35.1330(d)(f)(1) and (2), soil-lead hazards and abatement interim controls will be utilized to control soil-lead hazards.

In accordance with 24 CFR § 35.930(d), for residential properties receiving $25,000 or more in federal rehabilitation assistance (which includes reimbursement), the Risk Assessor will develop a scope of work that includes the abatement of all lead-based paint hazards identified from the lead risk assessment. All lead-based paint hazard abatement work will comply with HUD and EPA regulations.

Clearance: As all rehabilitation projects managed by the Program are funded with federal assistance, clearance examination is required for all structures that have not been determined to be free of lead-based paint (24 CFR § 35.1340). At the conclusion of all rehabilitation

activities, including (if required) lead-based paint hazard abatement, the general contractor must request a clearance examination from the construction manager. The construction manager will be responsible for obtaining clearance. A copy of the lead hazard reduction or abatement report and a clearance letter or abatement report obtained from the third-party risk assessor must be provided to all occupants residing in the structure within 15 days.

4.4.2 Asbestos-containing Materials (ACM)

4.4.2.1 Asbestos Survey and Testing

In order to comply with North Carolina requirements, an asbestos survey is performed for all structures by a certified asbestos inspector. A copy of the asbestos inspector's certification must be attached to the asbestos survey and must have been current at the time of inspection.

4.4.2.1.1 Demolition and ACM

In accordance with federal and state laws and regulations, when demolition (as defined in NESHAP, 40 CFR § 61.141) is required, a qualified asbestos inspector must perform a comprehensive building asbestos survey that is based on a thorough inspection to identify the location and condition of asbestos-containing materials which may be disturbed during the demolition of all or part of the structure. If the findings of the asbestos survey include asbestos-containing material removal and disposal, this scope of work will be incorporated into the ECR and made available for the applicant and general contractor. All asbestos surveys, licenses, and certifications must be uploaded to the applicant's file.

The Program will be responsible for ensuring the procurement of a North Carolina state-certified asbestos supervisor(s) and providing notification to the State Health Hazards Control Unit (HHCU) before all demolition (as defined in NESHAP 40 CFR § 61.141) work is commenced. This notification is in addition to any other demolition permits that may be issued by other local municipal or county offices. The notification must be postmarked or received by the HHCU at least 10 working days prior to the commencement of the demolition activity.

Please note that a demolition notification is required, even if no asbestos was identified by the facility/building inspection.

4.4.2.1.2 Renovation/Rehabilitation and ACM

For all renovation/rehabilitation projects, the Program will provide a qualified asbestos inspector to conduct an asbestos survey. If the findings of the asbestos testing identify asbestos-containing material for removal and disposal, this scope of work will be incorporated into the ECR and made available for the applicant and general contractor. In addition, the general contractor must contract with a NC-accredited asbestos professional to rehabilitate the home following guidelines set forth from the HHCU. A copy of the firm's license and worker certifications must be provided to the Program by the general contractor prior to commencing work on the home. All asbestos testing results, licenses, and certifications must be uploaded to the applicant's file.

4.4.2.2 Asbestos Removal and Disposal

Asbestos-containing materials that are friable, or that will be disturbed or removed by the renovation or demolition must be removed and disposed of in accordance with federal and state regulations by firms and individuals properly licensed for the work. If asbestos-containing materials should become apparent once construction begins or additional construction scope is required, procedures aligned with state and local—as well as HUD and EPA—abatement procedures will be followed. Costs for additional assessment and/or removal will be reimbursable as a change order to the general contractor. All asbestos abatement will be done in accordance with EPA rules and regulations and the general contractor will be required to provide the Program with a copy of the disposal manifest for all asbestos-containing materials removed from the site as a condition precedent to final payment. A copy of the manifest will be uploaded to the applicant's file.

4.4.3 Mold Assessment and Remediation

4.4.3.1 Mold Assessment and Testing

Demolition and/or Reconstruction Projects: Mold assessment and/or testing of the existing structure are not performed on reconstruction projects.

Rehabilitation Projects: All rehabilitation or repair projects require a visual assessment for mold by the damage assessor. If a visual inspection reveals the presence of mold, additional testing is not necessary unless recommended by the damage assessor. If necessary, the Program will provide a qualified professional mold remediation firm or individual to perform testing for mold. Testing services will only be provided to homeowners who have been approved for participation in the Rehabilitation, Reconstruction, or MHU Repair Programs.

4.4.3.2 Mold Remediation

Currently, no governing standards establish acceptable levels of mold spores in the indoor air or on surfaces. Mold is present everywhere in the environment. For all projects, identified moisture sources should be eliminated prior to further remediation. Post-remediation dehumidification may be necessary to completely dry the remaining structural framing materials prior to construction. In cases where this occurs, the damage assessor will incorporate this into the Damage Assessment and ECR. Mold will be required to be remediated by a general contractor when it is or was identified either at time of the initial inspection or during the general contractor's walk-through or construction. Materials harboring mold will be cleaned or replaced.

4.5 Other Tier II Permitting Requirements and Mitigation Measures

NCORR or its designee(s) are responsible for carefully reviewing the Tier II environmental review for each assisted property prior to finalizing the ECR or scope of work for the applicant's project. The purpose for this review is to ensure the following:

- Tier II environmental review was properly performed and matches the construction activity scoped for the applicant's project (i.e. rehabilitation, reconstruction, elevation, etc.). If Tier II environmental review has been completed, but the applicant chooses to change the proposed type of construction activity, the ERR must be re-submitted for a Tier II environmental review re-assessment capturing the change in scope of work.
- Proper permitting and scoping of the applicant's project to meet all environmental remediation and Section 106 requirements was completed, if applicable.

4.6 Elevation Requirements

In accordance with HUD's Federal Register Notice governing the ReBuild NC Homeowner Recovery Program, elevation requirements apply to all new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood-hazard area or equivalent in FEMA's data source identified in 24 CFR § 55.2(b)(1). All structures, defined at 44 CFR § 59.1, 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, as defined at 24 CFR § 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the 1 percent annual floodplain elevation (the base flood elevation, or BFE).

Residential structures with no dwelling units and no residents below two feet above the 1 percent annual floodplain, must be elevated or flood proofed in accordance with FEMA flood proofing standards at 44 CFR § 60.3(c)(3)(ii) or successor standard, up to at least two feet above the BFE.

The definitions of "substantial damage" and substantial improvement are outlined n 44 CFR § 59.1 as transcribed below:

- "Substantial damage" means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred."
- "Substantial improvement" means any reconstruction, rehabilitation, addition or other improvement to a structure, the total cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement.

In the absence of a jurisdiction's determination on substantial damage or substantial improvement, the Program's reconstruction threshold is 70% or more of the pre-storm tax assessed value, as determined by the DRV and ECR.

4.6.1 Home Elevation

Applicants that meet the criteria to be elevated (defined below) are offered resilient reconstruction as an alternative to the elevation scope of work as of V5.0 of the HRP Manual. After a review of the average cost of elevation (including elevation design, engineering, and other "soft costs" of elevation), the average cost of repair, and a comparison to the cost of a comparable reconstruction, NCORR has determined that elevation is not a suitable alternative to reconstruction. This determination is based on the cost of elevation compared to a safer, more resilient, and mitigated reconstruction project. NCORR has accordingly adjusted the elevation program to be supplemental to the reconstruction program and is not offered as a part of the rehabilitation scope. Applicants may appeal to have their property elevated as a part of a rehabilitation rather than reconstructed. In some instances, reconstruction will not be allowable (such as with SHPO requirements), and elevation may need to be pursued instead. NCORR will make determinations on these instances on a case-by-case basis.

Mandatory Elevation

- Properties located within the 100-year floodplain that are considered by the ReBuild NC to meet the FEMA definition of "substantially damaged" or will be "substantially improved"; or
- Properties that are required to be elevated by local ordinance or by the local code enforcement officials within and outside of the 100-year floodplain; or
- Properties located within the 100-year floodplain that are damaged and not yet elevated 2 ft. above base flood elevation (BFE) or 2 ft. above the high-water mark.
  - Properties located within a Disaster Risk Reduction Area (DRRA) as formally adopted by NCORR, within or outside of the 100-year floodplain must also meet this requirement. DRRA adoption is effective as of the date that the DRRA was finalized by NCORR and approved by NCORR Senior Staff. Applicants who completed construction prior to the effective date of the DRRA, or applicants who are undergoing CDBG-DR funded construction (i.e. the contractor has been issued a notice to proceed) for rehabilitation, reconstruction, or MHU replacement prior to the date of DRRA adoption are not retroactively affected by the DRRA adoption.

At a minimum, homes will be elevated to 2 ft. above the BFE as required by HUD or at least 2 ft. above the highest level of water that can be documented using FEMA data or height of documented water marks as measured by the Damage Assessor, whichever documented water level is highest and reasonable.

Optional Elevation

- Properties outside of the 100-year floodplain that:

- Sustained at least 6” of water damage during Hurricane Matthew or Hurricane Florence and/or sustained water damages from both Hurricanes Matthew and Florence due to flooding and not roof or other “horizontal” water penetration; and
- Are considered to be “substantially damaged” or will be “substantially improved” by the Program, as determined by program policies or the local jurisdiction.

Applicants which qualify for an optional elevation will be provided the option to reconstruct. Applicants that do not wish to reconstruct must forgo the optional elevation component of their scope of work. Applicants outside of an area with a designated Base Flood Elevation (BFE) that request optional elevation will be required to elevate their home at least 2 ft. above the highest level of water that can be documented using FEMA data or height of documented water marks as measured by the Damage Assessor, whichever documented water level is highest.

4.7 Green Building Requirements

All Program-funded properties must comply with green building standards as required by Federal Register Notices at 81 FR 83524 and as amended by later notice(s). To meet these requirements, NCORR documents the use of the applicable green building standard in each project file.

For reconstruction projects, NCORR uses the *ENERGY STAR Certified Home Standard* or a standard which is equivalent or greater to the ENERGY STAR standard. The Energy Star Certified Checklist Certification is available at (http://d2se92fabdh4cm.cloudfront.net/wp-content/uploads/2018/01/17113234/Energy_Star_Certification_12-21-17.pdf). NCORR may update green building design standards from time to time in accordance with best practice, as required by HUD, and as set forth in contract agreements for new construction work to be performed. NCORR documents specific green building standards used in each file.

Rehabilitation projects must apply the *HUD CPD Green Building Retrofit Checklist* (https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/). Green Building Standards will be applied as described below.

4.7.1 Reconstructed Homes

Homes reconstructed by the ReBuild NC Program will be designed to meet the *Energy Star Certified Home Standard* or alternate Green Building Design as recorded in the project file. As part of this process, all house plans available for selection will be reviewed and certified as compliant prior to use by the Program and all required materials, products, and labor needed to meet Green Building Standards will be properly scoped. Program inspectors will ensure that reconstructed homes meet checklist or other standard requirements by evaluating compliance with Green Building Standards at each construction draw request. A copy of the certified house

plan and checklist will be uploaded to each applicant file prior to construction closeout. Contractors not adhering to these standards will be sanctioned by the program.

4.7.2 Rehabilitated Homes

All homes rehabilitated by the ReBuild NC Program will be scoped to meet the requirements of the *HUD CPD Green Building Retrofit Checklist* which requires Contractors to meet Green Building Standards when replacing items on the checklist as scoped in Xactimate. During the course of construction, Contractors will be responsible for filling in information on the form and collecting all necessary documentation regarding materials used to rehabilitate the home in order to ensure that the Program is meeting the requirements of the *HUD Green Building Retrofit Checklist*. All items listed on the form that do not apply or are not being replaced should be marked as *not applicable* on this form. A copy of the completed checklist and documentation must be provided to the Construction Manager prior to the final inspection. As part of this process, the Contractor will be required to certify that the materials and or products installed, as itemized in their ECR meet the Green Building Retrofit Checklist. In addition, Contractors are required to collect any material and or product specification sheets to support meeting the Green Building Standards and must submit them during the Construction Closeout Process. Contractors not adhering to these standards will be sanctioned by the program.

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GRANT DETERMINATION

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5.0 Grant Determination

Once it has been determined that applicants are eligible for the Program, all funding considered to be duplication of benefits is verified, and an ECR and any required environmental assessments have been completed, the Program will calculate the applicant's award amount. For escrow requirements, for each award, refer to Section 3.9 and subsections for details on escrow requirements. Section 3.9.1 Escrow Credit is applicable to Reconstruction and MHU Replacement escrow calculations.

All grants below may also be accompanied by Flood Insurance Assistance (FIA) if qualifying conditions for that grant are met. Temporary Relocation Assistance (TRA) may be offered for all programs except for "reimbursement only" awards. A separate DOB calculation must be conducted for other applicant assistance that is considered duplicative to the FIA and/or TRA programs. Funding considered a DOB for FIA and TRA will reduce the amount of the applicant's assistance for these activities. Applicants who have a DOB amount exceeding the amount of the FIA and/or TRA assistance specifically will be ineligible for Program funding for these activities.

5.1 Rehabilitation Only

If the construction intent for the property is rehabilitation, the starting point for calculating the applicant's rehabilitation or repair award is the Estimated Cost of Repair, which includes the gross amount of eligible prospective repairs needed to complete the rehabilitation and/or repair of the home. This amount is then reduced by any funding determined to be a duplication of benefit. Program assistance is then capped at **$70,000**.

The Applicant's Award Calculation Table are incorporated into and made a part of all Rehabilitation Grant Agreements executed by the applicant in connection with the application for program assistance.

5.2 Reconstruction Awards

If damages (estimated cost of repair plus damage repair verification) to the applicant's home are equal to or more than 70 percent of the pre-storm tax assessed value, or the conditions of the property otherwise meet the definition of Not Suitable For Rehabilitation at Section 0.16 above, the applicant's award calculation is the Reconstruction Estimate, which is calculated using the methodology below.

5.2.1 Reconstruction Estimate, Plans, and Specifications

The total reconstruction square footage is derived from the floorplan(s) selected by the Program for the applicant. Program staff will select the floorplan(s) following an evaluation to verify current household heated square footage, bedroom and bath composition, occupancy requirements (found in HUD Guidebook located at https://www.hud.gov.sites/documents/43503HSGH.pdf), and determine eligible for the selected floorplan(s) based upon established range of the square footage of the existing

structure and/or family occupancy standards. Eligible floorplans will be provided to homeowners for confirmation of selection through a pre-award consultation. The total under roof square footage of the eligible floorplan is then multiplied by the reasonable dollar-per-square-foot cost factor to establish a maximum replacement allowance for the home, plus a separate cost for elevation, if required.

The table below sets recommended minimum and maximum ranges for each floorplan. Floor plan selection must be cost reasonable to the program and also include local, state, and/or federal building codes for the size and occupancy which may exceed minimums and/or maximums. Each floorplan includes a minimum and maximum square footage of the existing structure that would permit the selection of the current floor plan. If the applicant requests an escrow credit, the most suitable floorplan (the size of floorplan most like the pre-existing unit) is the starting point for the escrow credit calculation.

Table 18: Reconstruction Floorplans

#	Name	BR	Bath	Floorplan: Total Heated SF	Minimum: Existing Structure SF (90%)	Maximum: Existing Structure SF (110%)
1	Hinsdale 2 BR Ranch	2	1	944	None	1039
2	Hinsdale 2 BR Ranch	2	1	944	None	1039
3	Carson 2 BR	2	1	956	None	1052
4	Whitney 2 BR	2	1	956	None	1052
5	Whitney II	2	2	1000	None	1100
6	Hadley I	3	2	1080	972	1189
7	Hadley I Ranch	3	2	1080	972	1189
8	Whitney I	3	2	1088	979	1197
9	Hawkins I	3	2	1128	1015	1241
10	Clarke I	3	2	1159	1043	1275
11	Haywood II	3	2	1231	1107	1355
12	Haywood II Ranch	3	2	1231	1107	1355
13	Cameron II	3	2	1322	1189	1455
14	Winslow II	3	2	1322	1189	1455
15	Jackson II	3	2	1323	1190	1456
16	Jackson II Ranch	3	2	1330	1190	1456
17	Julia II	4	2	1313	1181	1445

The maximum award allowance includes the following reconstruction costs:

- Demolition of the existing structure and foundation
- Dumpsters for debris
- Excavation
- Temporary power
- Fencing
- Temporary toilets
- Sidewalks and/or pathways to the home
- Hydro seeding the lot
- Driveways
- Septic Systems
- Environmental abatement (if needed)
- ADA lifts and/or ramps (if needed)

The following costs are not included in the award allowance:

- Elevation

Reconstruction costs are based upon actual reconstruction bids that cannot exceed a reasonable $/SF. However, additional costs related to elevation may be added to the reconstruction costs, based upon the applicant's need and the actual costs for elevation.

Reconstruction estimates are performed on all homes and are the only type of estimate performed when a home is unsafe to enter or has been demolished or partially demolished.

- **Unsafe Conditions**: Unsafe conditions include structures whose load-bearing walls, columns, or other support components have been compromised; structures that have strong industrial or chemical odors or vapors emanating from the home; or structures that have been marked by the local, county or fire authority as being unsafe to enter. If any of these conditions or similar conditions exist, the damage assessor can, upon consultation with a supervisor and documentation in photos and a written description, limit the assessment to a reconstruction estimate. The files are required to be verified by the Program prior to a final award calculation. The damage assessor takes photos to document the condition and measures the footprint and area eligible for reconstruction
- **Demolished structures**: If a structure has been demolished or partially demolished, the damage assessor can conduct a reconstruction estimate only. The damage assessor takes photos to document the condition and measures the footprint and area eligible for reconstruction.

If the area eligible for reconstruction cannot be established by the damage assessor (for example a 100% destroyed home with a cleared foundation), the Program will work with the applicant to obtain the missing information from the following:

- Pre-flood appraisal or real estate sales documents
- County tax assessor information
- Insurance estimates
- Photographs
- Aerial photographs

The Program may use other approved methods to establish eligible reconstruction area and the reconstruction estimate when documentation from onsite inspection is unavailable. Information collected to verify square footage of homes from sources other than the home estimate must be provided to the Program. Collection of the documentation is primarily the applicant's responsibility.

5.2.2 Reconstruction Award Calculation

The beginning point of the Reconstruction Calculation is the Reconstruction Estimate as determined in Section 5.2.1. This amount is then reduced by any funding determined to be a duplication of benefit.

5.3 MHU Repair Award

If damages to the applicant's post-1976 manufactured home are **$5,000** or less, the starting point for calculating the applicant's repair award is the Estimated Cost of Repair, which includes the gross amount of eligible prospective repairs needed to complete the repair of the home. This amount is then reduced by any funding determined to be a DOB. Program assistance is then capped at $5,000. For applicants in the new round of applications in 2020, the cap remains $5,000 for single-wide and is capped at **$10,000** for double-wide or larger MHUs.

5.4 MHU Replacement Award

Manufactured homes with more than $5,000 in storm-related repairs ($10,000 for double-wide or larger MHUs for the second round of applications in 2020) and/or manufactured homes constructed before enforcement of *Manufactured Home Construction and Safety Standards* (effective June 15, 1976), are eligible to be replaced. Applicants have an option to replace such homes with another manufactured home.

Activities **ineligible** for funding:

- Replacement of manufactured homes located in the 100-year floodplain unless the manufactured home can meet elevation and local permitting requirements, *or* the replacement unit is relocated to another lot outside of the floodplain.
- Reimbursement for repairs made to the damaged home to be replaced in excess of the total DOB received toward repairs for the property.

5.4.1 MHU Replacement Sizes and Awards

The Program will provide awards necessary to replace the damaged MHU, including demolition and removal of the original structure. ADA compliant units are available for applicants that require those accommodations. Awards cover the cost of the unit as well as delivery, installation, and setup of the selected unit. Environmental remediation and accessibility features such as ramps or lifts are included in the award cost. An additional allowance is available for structural elevation. Funding considered to be a DOB will be deducted from the actual costs of purchasing the replacement home up to the program cap for assistance.

The replacement manufactured home will be a standard model that is comparable in size to the applicant's damaged manufactured home (single-wide, double-wide, number of rooms, etc.). The replacement MHU size will be determined by the size of the damaged MHU based on the following:

Type of MHU	Damaged MHU SF	Replacement Standardized Size Range
Single Wide	1000 or less	950 to 1050
	1001 to 1500	Up to 1178
Double /Triple Wide	1000 to 1499	1050 to 1150
	1500 to 2000	1650 to 1750
	2001 to 2800	2150 to 2250

NCORR may offer a reasonably sized alternative of the replacement unit based on unit availability and manufacturer specifications. Detailed minimum build standards will be documented in the Construction Management Standard Operating Procedures (SOP).

Additional requirements are as follows:

- Only standard-grade materials and fixtures will be allowed under the Program. However, some additional options may be allowed if the price does not exceed the maximum Program allowance.
- No special orders are allowed unless approved by NCORR on a case-by-case basis, subject to the maximum Program allowance. Options that may be considered are gutters, whole-house air conditioning, handicap modifications, and weatherization associated with Energy Star items such as windows and doors.
- The base purchase price of the replacement manufactured home must be equal to or less than the National Automobile Dealers Association (NADA) retail value. The Program will maintain a copy of the NADA valuation report in each applicant's file.

- The replacement home must be decent, safe and sanitary, functionally equivalent to the damaged home, and adequate in size and layout to meet HUD Housing Quality Standards.

5.4.1.1 Damaged Manufactured Home Demolished Prior to Damage Inspection

If the damaged manufactured home has already been removed or demolished but has not yet been replaced at the time of the damage inspection, the eligible assistance will be the replacement of the damaged manufactured home. In this scenario, the applicant will be required to prove that the home was on the property as of October 8, 2016 or September 14, 2018. Such documentation may include such items as a FEMA damage assessment, utility bill at time of storm, original bill of sale, lot rental payments (if owner rented land), or property tax records (if manufactured homeowner owned the underlying land), applicant photographs, and/or demolition or salvage bill for haul-off and destruction of the flooded manufactured home. This list is not comprehensive, but it is intended to illustrate the types of information that would substantiate the applicant's claim that the home was present on the property during the required time period.

Program damage inspectors will observe site conditions to document any indication that a manufactured home previously occupied the footprint indicated by the applicant. Program staff members may seek to obtain aerial imagery from Google Earth or similar services to identify whether a unit existed at the time of the hurricane. If additional verification is needed, applicants are responsible for providing all necessary proof that the original structure was present prior to October 8, 2016 or September 14, 2018, that it was damaged by Hurricane Matthew and/or Hurricane Florence, and that the structure was removed. The applicant must prove ownership and occupancy of the original damaged structure at the time of the hurricane.

5.4.1.2 Purchase Process for Replacement Manufactured Home

The Program has pre-qualified prime contractors to demolish damaged manufactured homes, prepare the site for new manufactured home, and installation of the new manufactured home. Services provided include replacement of single and double wide MHUs standard units as well as units meeting ADA compliance requirements. The scope of work for each repaired structure will vary and may include the following:

- Permitting and occupancy approvals;
- POD delivery, pickup, and management;
- Move out coordination with the property owner;
- Utility disconnection and deactivation;
- Demolition of existing structure;
- *Americans with Disabilities Act* (ADA) compliance, where required;
- Servicing or repairing Wells and Septic systems;

- Debris removal in accordance with all Federal, State and local requirements, including the disposal of potential asbestos containing materials;
- Site preparation;
- Replacement and installation of MHU in accordance with all applicable local and state codes and standards; and
- Survey/Elevation certificate requirements.

Applicants eligible to receive a replacement manufactured home must submit a *Manufactured Home Replacement Form* (https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program).

5.4.1.3 Reimbursement Funding for Replacement Manufactured Home

The Program may reimburse for either a new or used habitable manufactured home up to the maximum Program allowance if the unit was purchased prior to the Program damage inspection (note: demolition costs are not reimbursable). The Program may issue a single-party check to the applicant who has replaced the damaged manufactured home prior to damage inspection.

Payment will be made upon inspection of the manufactured home verifying purchase and completion of installation. Replacement manufactured homes that do not meet HUD Housing Quality Standards, or those homes manufactured prior to June 15, 1976, are not eligible for reimbursement funding.

5.4.1.4 Elevation of Manufactured Homes

The Program will provide additional funds in excess of the maximum manufactured home replacement allowance for home elevation, if elevation is required or if the applicant is eligible for optional elevation. The Program will provide the actual cost of elevation, not to exceed a program-defined maximum elevation cost for MHU replacement.

Manufactured home elevation will be provided using CMU blocks, pilings, or other approved construction methods, but the Program will not pay for elevation by fill. Applicants who have purchased a replacement manufactured home within a SFHA and have not elevated the home to the requirement of 2 feet above the base flood elevation can qualify for Program elevation assistance to include elevation funding.

The Program assesses the feasibility and cost reasonableness of elevating MHU located on leased land on a case by case basis. When the elevation of an MHU on leased land is determined to not be feasible or cost reasonable, the Program seeks alternative solutions which can include allowing the applicant to provide an alternative site for the installation of the replacement MHU.

5.4.1.5 MHU Replacement Only Award Calculation

The cost of removal and disposal of the damaged manufactured home is an eligible cost but will be included in the award calculation applied toward the maximum Program allowance.

5.5 Reimbursement-Only Awards

To assess and quantify the amount of reimbursement assistance for which an applicant may be eligible, the Program will create a Damage Assessment on homes with partial or full repairs completed as of the date of application submission. Damage Assessments for reimbursements are similar to Damage Assessments for repairs in that they are both a component-by-component assessment of the damaged property. Both reports comprise the full damage assessment completed by the Program. However, unlike a repair estimate, a reimbursement estimate is an assessment of the value of completed repairs rather than an assessment of damages remaining. Both are produced through the use of Xactimate assessment tools and software. Reimbursement estimates are generated by Xactimate software based on information collected by the damage inspector assigned by the Program.

Reimbursement estimates are reviewed for correctness and completeness prior to being used as a basis for calculating the amount of any Program assistance an Applicant may be eligible for.

- The “correctness” review ensures that the applicant information (name, address, Program Identification Number, etc.), structure type, total living area, and completed repairs are listed.
- The “completeness” review includes checks to ensure that all field data is included in the applicant’s file, including reimbursement-estimate photographs, GPS coordinates, and site sketches.

The beginning point for an applicant’s reimbursement-only award is the amount of eligible, completed repairs identified and documented by the damage assessor in the Damage Assessment, which includes the gross amount of documented repairs. This amount is then reduced by any funding determined to be a DOB. Program assistance is then capped at $70,000.

5.5.1 Reimbursement and Other Program Assistance

Some applicants may be eligible to receive assistance in connection with Program benefits available for reimbursement and either or all of repair and/or rehabilitation, FIA, or TRA. If an applicant is eligible for multiple disbursements, the Program will calculate the amount of the applicant’s reimbursement assistance first by reducing the amount of eligible completed repairs by any funding determined to be a DOB which totals the “Net Reimbursement Amount” due to the applicant. The “Net Reimbursement Amount” will then be added to the ECR amount, FIA amount and/or TRA amount, and the sum thereof shall be the total amount of assistance that the applicant is eligible to receive. If there is DOB in excess of this amount, then the applicant will not be entitled to receive reimbursement assistance. Furthermore, the excess DOB shall then be deducted from the gross ECR Amount, FIA amount, and/or TRA amount, and the

difference shall be the total amount of assistance that the applicant is eligible to receive. The maximum amount of award available shall not exceed any applicable award caps for each individual program.

5.6 Elevation

Applicant(s) may be eligible for elevation assistance for reconstruction if, in addition to meeting all other Program eligibility requirements, the damaged property meets the mandatory or optional elevation requirements at Section 4.6. Note that elevation assistance is only offered for reconstruction projects as V5.0 of the HRP Manual, although applicants may appeal to elevate and rehabilitate their home rather than reconstruct. The Program reviews appeals for rehabilitations with elevation on a case-by-case basis, in consideration of the facts and circumstances of each appeal. Elevated reconstruction is offered when a property has been substantially damaged, will be substantially improved, or if the property meets the reconstruction threshold, as determined by the Program or the local jurisdiction. The Program determines the reconstruction threshold by determining the estimated cost of repairs to complete plus the damage repair verification for repairs already completed, divided by the pre-storm tax assessed value of the damaged property (limited to the structure itself, affording no value to the land upon which the improvement sits) to determine a percentage of the value of the property that was damaged. The local jurisdiction, through the code enforcement, permitting and planning, or floodplain management departments, may make determinations on substantial damage and substantial repair differently. The definition of substantial damage and substantial improvements are set at 44 CFR 59.1.

NCORR uses the tax-assessment value prior to October 8, 2016 for Hurricane Matthew and prior to September 14, 2018 for Hurricane Florence damage to determine the need to elevate in accordance with Section 4.6.1. If an applicant is deemed eligible for elevation assistance, the applicant is required to reconstruct and elevate to participate in the Homeowner Recovery Program, and the applicant's commitment to elevate will be a condition to the receipt of any other Program grant award. In addition, all properties located in the floodplain which are required to be elevated by local ordinance and/or the local code enforcement officials will be reconstructed and elevated to the Program-required height.

5.6.1 Eligible and Excluded Elevation Costs

Eligible costs for elevating homes must result in the elevation of the damaged address and associated components to 2 feet above the base flood elevation and to bring the structure into compliance with applicable codes, ordinances, and standards as needed.

5.6.1.1 Eligible Elevation Costs

Eligible activities and costs related to home elevation include the following:

- Disconnection of all utilities.
- Installation and removal of beams for lifting the home.

- Cribbing for a raised house while the foundation is being built.
- Building the foundation so that the lowest floor is 2 feet above the 100-year base flood elevation; financial assistance will also be provided for work to bring the housing into compliance with applicable codes, ordinances, and standards as needed
- Lowering the house onto the foundation.
- Seismic retrofitting of the elevated foundation, including attachment of the home to the foundation.
- Reconnecting utilities, including extending lines and pipes if necessary, elevating all utilities and service equipmen.t (hot water heater, furnace, outlets for electricity, etc.)
- Providing meter-reader access if necessary.
- Permanently fixing improvements.

Additions to the habitable space of the structure may be eligible for assistance only in the following instances:

- Construction of a utility room above base flood elevation where utilities cannot be stored in the house or there is no other cost-effective way to elevate the utilities. If space must be constructed, it should not be greater than 100 square feet.
- Elevation of an existing deck, porch, or stairs or construction of a new set of steps per minimum code requirements.
- Where a homeowner or members of the family are physically disabled, a physician-written confirmation is required before special access is included in the elevation. Multiple special access points are eligible for funding where necessary to meet compliance with code. Where ramps are used to provide access, they should be designed to meet federal standards for slope and width.

Other eligible assistance will be provided to replace, restore, or repair the structure in the following instances:

- Repair to the foundation where it is necessary for the safe elevation of the structure.
- Replacement of termite-damaged or dry-rotted wood framing when associated with elevation or if required for recommended seismic bolting or bracing.
- Minimum costs of exterior sheathing associated with materials damaged or removed during the elevation process only (exterior finish must meet standards for NFIP damage- resistant materials and local code).
- Insulation for pipes when required by local codes and standards.

- Seismic upgrades per local and/or state codes as required, including bolting structure to foundation and crippling walls.
- Rough grade of yard and seeding of grass if damaged by equipment during the elevation process or where the elevation action affects slopes.
- Miscellaneous items such as sidewalks and driveways.

5.6.1.2 Ineligible Elevation Costs

Ineligible improvements and costs include the following:

- Structures not considered the primary residence (e.g., detached garages, sheds, and/or barns).
- Additions, expansions, or elevations of appurtenances, except as noted above.
- Rehabilitation deemed damaging to the historical character or value of a structure by the State Historic Preservation Officer (SHPO).
- Repair or replacement of non-essential or luxury items, such as swimming pools or Jacuzzis.
- Secondary residences (e.g., summer homes and guest cottages not used as permanent, year-round dwellings).
- Properties located in the regulatory floodway or on federal leased land.
- Elevation of a masonry chimney.
  - If a fireplace is the sole source of heating, funds will be used to purchase and install an adequate heating system that meets the minimum local building code requirements.
- Additional costs to repair existing underground utility lines that have deteriorated or do not meet code requirements.
- An elevation that has begun or been completed prior to completion of an environmental review and prior to an applicant's receipt of written approval of the project for funding.
- Costs to elevate significantly higher than the standard 2 feet above base flood elevation unless part of a local government building code or ordinance and approved by the state with receipt of documentation describing the rationale.
  - The rationale and approval are included as part of the applicant file.
- Landscaping costs except as noted above.
- Costs to make improvements in cases where existing floor systems have been inadequately designed or constructed with undersized materials.

- Costs for replacement of utility service components that are undersized, have inadequate capacity, or are unsafe, unless directly related to the action of elevating (e.g., wells, pumps).
- New furnaces except as noted above.

5.6.2 Elevation Cap - Rehabilitation

Generally, elevation is not offered for rehabilitation projects as of V 5.0 of the HRP Manual. However, in some instances, participants in the Homeowner Rehabilitation Program may receive assistance for eligible elevation costs in addition to other assistance for rehabilitation for which the applicant may otherwise be eligible. The elevation cost cap is included in the Elevation Program Standard Operating Procedures (SOP) and is informed by an analysis of the actual costs of elevation.

The elevation cost cap includes pre-construction, design and engineering, permitting, and other required non-construction costs. Where unusual or unpredictable site conditions cause an increase in costs above the cap amount, it is incumbent on the elevation vendor to document and demonstrate why an increase in the elevation cost above the cap is necessary and reasonable to complete the elevation. The elevation vendor must provide an engineer or architect's report supporting increased costs for the elevation. The report must include an architect or engineer's stamp. The NCORR Construction Management vendor reviews the elevation vendor's support and determines if the support is adequate to justify an increased cost for elevation. The Construction Management vendor may review the elevation vendor, engineer, or architect's claim in the context of known site conditions, such as field inspection reports and environmental review information to verify. The NCORR Construction Management contractor presents the findings of the review to the NCORR Program Delivery Team for final approval of costs above the cap.

During review of the elevation vendor's proposed elevation costs, NCORR will compare costs across multiple vendors or to similar projects which have been successfully completed to select the most cost reasonable elevation solution. NCORR also reserves the right to present a homeowner with excessive elevation costs with mitigation alternatives, such as strategic buyout or resilient reconstruction.

For the elevation cost cap, eligible square footage is considered to be all square footage under roof. This includes integrally attached sunrooms and porches. Ineligible square footage includes:

- Detached structures.
- Decks not under contiguous roof.
- Areas beneath aluminum awnings.

Two or more story structures are not calculated differently than single-story structures. Steps and landings which must be removed and replaced during the course of the elevation are not included in the elevation square footage calculation but are an eligible scope of work and captured within the elevation cost cap based on the $/SF allowance. For non-typical scope items such as elevating chimneys or for exceptions to the square footage policy, an engineer's justification for scope and estimated cost are required. These items are reviewed in accordance with the policy for costs above the $/SF cap.

Federally assisted structure elevations must comply with all Section 504 and Americans with Disabilities Act (ADA) requirements, if applicable, when elevated. Handicap access must be provided if supported by a Doctor's formal recommendation. In the instance of Section 504 and ADA compliant units, a 504/ADA design certification by the architect must be provided at project completion. The method of accessibility is to be determined by the architect and/or engineer's judgement on feasibility based on the elevation height and site conditions. Handicap access is in addition to the $/SF allowance.

The elevation cost cap for MHU replacement is consistent with Section 5.6.3 Elevation Cap-Reconstruction below. The elevation cost cap includes all eligible elevation costs as set forth in Section 5.6.1 above5.6.1 and all subsections.

5.6.3 Elevation Cap-Reconstruction

The elevation assistance award cap for reconstruction is separate from the reconstruction award. NCORR may assess the cost of elevating a reconstructed home and award greater than the elevation award cap if the costs to do so are determined to be necessary and reasonable to complete the reconstruction to the required elevation height. The award cap includes pre-construction, design and engineering, permitting, and other required non-construction costs. Where unusual or unpredictable site conditions cause an increase in costs above the cap, it is incumbent on the reconstruction vendor to document and demonstrate why an increase in the elevation cost above the cap is necessary and reasonable to complete the reconstruction at the required height. The reconstruction vendor must provide an engineer or architect's report supporting increased costs for the elevation portion of the scope of work. The report must include an architect or engineer's stamp. The NCORR Construction Management vendor reviews the reconstruction vendor's support and determines if the support is adequate to justify an increased elevation cost. The Construction Management vendor may review the reconstruction vendor, engineer, or architect's claim in the context of known site conditions, such as field inspection reports and environmental review information to verify. The Construction Management contractor presents the findings of the review to the NCORR Program Delivery Team for final approval of costs above the cap.

5.7 Award Notification

Once an applicant's award has been calculated, the Program shall notify the applicant in writing of the award calculation and provide notice that the calculation resulted, based on information

available to and provided to the Program, a zero-award determination or a positive award determination. The Program will then offer the applicant the options to either:

- Accept the award as calculated;
- Seek consultation from the Program for further explanation of the award calculation;
- Appeal the award calculation; or
- Reject the award.

If the applicant elects to appeal the award calculation, they must file a written appeal and should include documentation such as detailed insurance documents, contracts, or receipts to support their appeal.

5.7.1 Method of Notification

The notice of award, whether notice of a zero-award or a positive award, may be provided to the email address provided by the applicant in the Program application, if any. In the absence of a valid email address provided by any applicant, the Program may provide the Award Notice via any nationally recognized courier service, standard ground delivery to the mailing address provided by any applicant in connection with his or her Program application.

5.8 Grant Agreement Signing

5.8.1 General

Applicants will be offered the option to execute the grant agreement and associated documents either via electronic execution, in person at a ReBuild NC Center available for document execution, or by a mail-away grant agreement signing. Applicants will execute separate grant agreements with the Homeowner Recovery Program for each qualifying program at the time of grant execution. Grant agreements require applicants to comply with Program requirements. The applicant that signed the application will sign the grant agreement. The Program will require that applicants disclose all owners at the time of application and will attempt to have all owners sign during the grant agreement. The Program will accept properly executed power of attorney documents to assist owner-occupants who cannot attend to execute the document signing via one of the available document execution options. Sample grant agreements are available on the ReBuild NC website (https://www.rebuild.nc.gov/homeowners-and-landlords/homeowner-recovery-program/homeowner-closing-documents).

No later than at the time of grant agreement execution, applicants must:

- Confirm that they still own the damaged property and that they have not received notices of default or seizure related to taxes, mortgage, or title;

- Resolve all appeals issues, if any, as there are no appeal rights after execution of the grant agreement and associated documents; and
- Provide a copy of current flood insurance declaration page or declination letter, if required.
- Execute other program documents as necessary.

For applicants participating in a combination of programs described in this Manual, a separate grant agreement may be executed for each program. All self-certified information may be investigated by the Program or by HUD at a later date. Applicants are under an obligation to comply with any Program request for verifying documentation that supports a self-certification, even after awards have been granted and the applicant's file has been closed. Applicants whose property is located within the special flood hazard area are required to obtain and maintain flood insurance on their property as a condition precedent to executing grant agreements. Failure to maintain flood insurance on the property will result in the damaged property being disqualified from receiving any future federal disaster recovery assistance.

5.8.1.1 Subrogation – Repayment of Duplicative Assistance

All duplicative funding received must be remitted to or accounted for, regardless of when it is received by the applicant. If applicants receive additional funding for the same purpose as the Program award (e.g., permanent repair to damaged property) after the award is calculated, after the grant agreement is executed, during construction or after construction is completed, the applicant is required to report the additional funding to the Program. By accepting the award, applicants agree that they will report any duplicative funds to the Program whenever received.

Upon receipt of a report that benefits have been received that were not reported in the grant calculation, the Program will recalculate the applicant's award and provide instructions as to whether such funds must be used in construction prior to additional funding by the Program, whether the applicant's award will be reduced by such amount, or whether the applicant must remit such amounts to the Program.

5.9 Funds Disbursement

5.9.1 Rehabilitation, Reconstruction, or MHU Repair/Replacement Program Awards

Once all required program agreements and contracts are fully executed, Program disbursements for rehabilitation and repair work will be made by NCORR directly to the general contractor. Payments will be made in prescribed draw intervals as construction on the applicant's project is completed and inspected.

5.9.2 Reimbursement Awards

Reimbursement grant awards may be paid directly by NCORR to the applicant after execution of all Program documents. NCORR will either draw a check payable to the applicant and transmit the check per check-delivery instructions provided by applicant at grant agreement signing, or electronically deliver all net grant proceeds to an account of the applicant's choosing via ACH transfer. All ACH-transfer instructions will need to be signed by the applicant. The timing of reimbursement awards is dependent on whether the applicant requires additional rehabilitation to complete their project. Reimbursements on completed projects are sent at Step 5, after signing the grant agreement. Reimbursement awards on projects that require rehabilitation are sent after completion of the rehabilitation project.

5.9.3 Flood Insurance Assistance (FIA)

5.9.3.1 New Policy Coverage

Applicants eligible for FIA will be required to obtain a quote for a flood insurance policy from the carrier of their choice and submit the policy quote to the Program. The Program will evaluate the quote for sufficiency of coverage. If it is determined that the quote does not meet the FIA guidelines, the Program will advise the applicant that the requested policy coverage does not meet Program guidelines. In addition, they will be provided with instructions to obtain the required amount and timeframe for coverage.

Once it has been confirmed that the requested coverage meets FIA guidelines, the Program will make the flood insurance premium payment directly to the carrier underwriting the policy. Upon purchase of the insurance, the applicant is responsible for providing the Program with (i) proof of flood insurance for the required amount and timeframe, and (ii) proof that NCORR is listed as an "additional insured" on the property. A Grant Agreement and/or Final Disbursement for the applicant's project cannot be issued until the applicant has submitted this documentation.

5.9.3.2 Reimbursement for Purchased Insurance

Applicants who are eligible for reimbursement for flood insurance previously purchased must submit evidence documenting the proof of purchase of flood insurance for the FIA required amount and duration of coverage. If it is determined that the quote provided does not meet the FIA guidelines, the Program will advise the applicant that the requested policy coverage does not meet Program guidelines. In addition, they will be provided with instructions to obtain the required amount and timeframe for coverage.

Applicants who previously purchased flood insurance but who must purchase supplemental coverage to cover the dwelling and/or required duration will follow the process listed above for "New Policy Coverage." Applicants who previously purchased flood insurance that was in effect at the time of grant agreement execution will be eligible for reimbursement of the existing policy premium using a pro-rata calculation and also a supplemental payment to cover flood insurance premiums meeting FIA requirements. Upon purchase of the insurance, the applicant

is responsible for providing the Program with (i) proof of flood insurance for the required amount and timeframe, and (ii) proof that NCORR is listed as an "additional insured" on the property. A Grant Agreement and/or Final Disbursement for the applicant's project will not be issued until the applicant has submitted this documentation.

5.9.3.3 Timing

For properties in the 100-year floodplain, evidence that the damaged home is covered by flood insurance must be provided confirmed before the final disbursement of grant funding for all cases where rehabilitation, elevation, or reconstruction work is being performed. Reimbursement applicants must provide evidence of flood insurance prior to grant agreement signing. Applicants who must maintain flood insurance as a condition of receiving previous federal assistance must provide flood insurance prior to grant agreement signing. A declaration sheet or ACORD form describing the coverage, or an application for flood insurance along with a paid receipt from the applicant's insurance company, will be sufficient evidence to satisfy this requirement.

5.9.3.4 Payment Process

The following table outlines the methods for making payments towards eligible flood insurance assistance:

Table 10 - Methods of Payment, FIA

Payment Type	Activity Description	Calculation
New Policy Coverage Not Expected to Meet Program Cap	New policy not previously paid for by homeowner, for which the expected two years of flood insurance assistance is calculated to fall under the Program-defined cap of $2,000.	Insurance Payment made directly to carrier.
New Policy Coverage Expected to Exceed Program Cap	New policy not previously paid for by homeowner, for which the expected two years of flood insurance assistance is calculated to exceed the Program-defined cap of $2,000.	Insurance Payment made directly to carrier.
Existing Policy Coverage Not Expected to Meet Program Cap	Insurance policy already purchased by homeowner, for which the expected two years of flood insurance assistance is calculated to fall under the Program-defined cap of $2,000.	Reimbursement using pro rata calculation (yearly premium divided by days of premium remaining on policy from the time of grant agreement execution) made directly to homeowner.

Payment Type	Activity Description	Calculation
Existing Policy Coverage Expected to Exceed Program Cap	Insurance policy already purchased by homeowner, for which the expected two years of flood insurance assistance is calculated to exceed the Program-defined cap of $2,000.	Reimbursement using pro rata calculation (yearly premium divided by days of premium remaining on policy from the time of grant agreement execution) made directly to homeowner.

Homeowners expected to exceed the Program-defined cap of $2,000 for flood insurance assistance will have the option of how to divide the payment over the course of the two years, either as a bulk payment towards year one or as an equally divided payment over the course of two years.

5.9.4 Temporary Relocation Assistance

Temporary Relocation Assistance will be paid in accordance with the NCORR *Optional Relocation Procedures*. Eligible applicants who are required to vacate their home during the Program construction will be assigned to a Program TRA staff who will provide advance notice of the move out date and guidance for location of interim housing and household move and/or storage as required.

CONTRACTOR SELECTION

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6.0 Contractor Selection

The Program has contracted with a construction management firm ("construction manager") that will manage a pre-qualified pool of general contractors to complete construction on applicant homes. The construction manager is responsible for the following:

- Reviewing general contractor qualifications, capacity, and performance.
- Assigning applicant projects under $30,000 to pre-qualified general contractors. A mini-bid process will be used for applicant projects equal to or exceeding $30,000.
- Acting as a construction manager for all applicant assigned projects.
- Coordinating Program inspections at intervals during the construction process.
- Reviewing payment requests and change orders submitted by the general contractor.
- Conducting final inspection reports to ensure the scope of work is complete and complies with Program requirements.

6.1 Selection of General Contractor Pool

The Program issued a Request for Prequalification to establish a pool of prequalified general contractors. Contractors were evaluated based on criteria such as:

- Demonstrated experience with residential rehabilitation, reconstruction, environmental mitigation (e.g. abatement of lead, asbestos, mold, soil contamination, well-water contamination) elevation and manufactured housing units.
- Demonstrated experience with local, Federal, and State statutory requirements for grants, especially U.S. Housing and Urban Development CDBG-DR, Federal Emergency Management Administration grant programs or local government disaster recovery programs and/or experience with HUD public housing programs.

6.2 Contractor Awards

Applicants participating in the Rehabilitation, Reconstruction, or MHU Repair/Replacement Program are required to use the general contractor qualified through the Program's assignment or bidding process. There will be three methods for awarding construction contracts to the general contractors:

- Contracts up to $29,999.99 will be awarded via assignment to a contractor pursuant to N.C.G.S. 143-131.
- Contracts between $30,000.00 and $499,999.99 will be awarded via informal bidding pursuant to N.C.G.S. 143-131.

- Contracts at or above $500,000.00 will be awarded via formal bidding pursuant to N.C.G.S. § 143-129.

6.3 Construction Contract

As of HRP Manual Version 5, the Program enters into a contract agreement with the construction vendor (general contractor) instead of requiring the applicant to sign the contract agreement. NCORR and the general contractor will sign the Contractor Agreement for work on the applicant's home once a contractor is selected. The contract outlines obligations of the contractor under the contract (e.g., start date of construction, construction costs, estimated completion date, etc.). The Applicant will be expressly designated a third party beneficiary of the contract. The applicant is provided a copy of the construction contract for their records. In addition, the ECR Scope of Work to be completed on the home will be attached and incorporated into the contract for review and reference by the applicant. The construction contract is provided by the Program and may not be amended to change the terms of performance or to expand the construction scope beyond that which has been authorized by the Program. Any changes to the scope of work or construction timeframes must be approved by the Program through the Change Order process as outlined in Section 7.4 of this manual.

6.4 Pre-Construction Meeting

After issuance of the Notice to Proceed and prior to commencement of any construction work, the construction manager will schedule a pre-construction meeting (or "walkthrough") with the applicant and general contractor. The purpose of this meeting is to review all construction activities that will be undertaken and review all finishing selections.

6.5 General Contractor Responsibilities

The general contractor will be responsible for the following activities along with others that may be included in the Construction SOP:

- Meeting insurance and bonding requirements.
- Furnishing all necessary labor, materials, equipment, and other services needed to complete the scope of work on the applicant's home in accordance with standards, quality and state building code requirements.
- Obtaining all required permits and inspections required by the local building department.
- Coordinating progress inspections with the construction manager.
- Performing construction as specified in a timely manner as noted in the Construction Contracts and subject to liquidated damages as noted in the ReBuild NC Construction Management SOP and applicable contracts.

- Performing all work in accordance with local building, health and safety codes, and Lead Safe Housing Rule (LSHR).
- Disposal of all construction debris at a licensed construction waste landfill.
- Completing and submitting all required closeout documentation to the Program.
- Ensuring that all materials, equipment furnished, completed systems, and work performed is free from defects due to faulty materials or workmanship for a period of 1 year and that any structural work is similarly guaranteed for a period of 10 years from the date of final inspection as detailed in the ReBuild NC CDBG-DR Construction Standard Operating Procedures (SOP).

Additional responsibilities are detailed in the ReBuild NC CDBG-DR Construction SOP.

6.6 Applicant Responsibilities

The HOGA requires the applicant to meet the following requirements:

- Acknowledgement of the contractor's right to access the property and home during construction.
- Timely removal of all personal property, fixtures, and appliances as necessary to complete construction.
- Release of the contractor from liability for damages for disposing of any remaining personal property, fixtures, and appliances in the areas subject to repair and/or rehabilitation.
- Compliance with program safety protocols (which may include refraining from being on site during periods of construction work, as determined by the general contractor and construction manager).
- Notice of defects within 30 days of discovery.
- Provide permission to the contractor to secure doors, change locks, temporarily partition areas and/or rooms of the home, or otherwise limit access in the home for areas and/or rooms under construction.
- Provide permission for the Construction Manager, the general contractor, and the Program Inspector to take photos and/or videos of construction as it progresses.

Additional homeowner responsibilities may be detailed in the construction contract.

6.7 Contractor-Applicant Grievances

Applicants wishing to file a construction grievance as provided for in this section must do so using the following process:

- File the grievance in writing.
- Provide details relevant to the approved scope of work.
- Submit detailed explanation of the grievance and its basis.
- Include supporting documentation, if possible. (e.g., photographs, inspection reports, etc.)

The grievance should be submitted to the construction manager, who will work with the applicant to resolve the dispute.

If an applicant disagrees with the payment request of the general contractor for completed work, a third-party inspection performed by the Program's QA/QC contractor may be conducted at the direction of NCORR. Should the QA/QC contractor find that the quality of the work is consistent with Program standards, the Program may elect to issue payment to the general contractor. Determinations made by the QA/QC contractor are final and will be communicated to the applicant accordingly.

Construction grievances can be submitted in one of the following ways:

- Calling the Program hotline at 1-833-ASK-RBNC (1-833-275-7268) to receive assistance from a customer service representative;
- Mailing the grievance by U.S. mail to the following address:

  ReBuild NC Applicant Service,
  Attn: Construction Grievance
  North Carolina Office of Recovery and Resiliency (NCORR)
  PO Box 110465
  Durham, North Carolina 27709; or

- Submitting the written grievance at a Rebuild NC Center.

6.8 General Contractor Performance Review

The construction manager will assess each of the general contractor's performance at the end of each construction project using a standardized performance matrix. These assessments will factor into assignment of the general contractor to future projects. The contractor's assessment will be based on their performance on measures such as:

- Adherence to construction schedules and/or completing construction schedules ahead of the proposed timelines established by NCORR.
- Quality and accuracy of all reporting and paperwork submissions.
- Quality of construction work performed to date; warranty claims; number of failed inspections.

- Demonstrated safety performance; provision of necessary Personal Protection Equipment on site for all workers; overall cleanliness of construction site.
- Responsiveness to service issues.
- Demonstrated professionalism.
- Applicant/owner satisfaction.
- Section 3 compliance.

6.9 Construction Warranties

General contractors are responsible for providing a warranty that all materials, equipment furnished, completed systems, and work performed shall be free from defects due to faulty materials or workmanship for a period of 1 year, and any structural work is similarly guaranteed for a period of 10 years from the date of final inspection. General contractors must provide all manufacturer's warranties prior to the inspector signing a final inspection form. The applicant is the owner of the warranty. The Program will not execute warranty requests on behalf of the applicant.

The construction manager must notify the applicant in writing regarding the date when the warranty for construction work begins and ends. As part of the final inspection process, photographs of construction work will be taken for documentation purposes and placed in the applicant's file. The general contractor will provide the applicant any instruction booklets and a warranty information binder with an acknowledgement form that the applicant has reviewed it with the general contractor.

The applicant must receive another written warranty notice 6 months and 1 month prior to the expiration of the warranty. NCORR is responsible for verification that written warranty notices have been sent to applicants, and all warranty items have been completed by the expiration date of the one-year warranty.

Additional details regarding the Contractor Selection Process can be found in the approved *NCORR Construction Management Standard Operating Procedures.*

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CONSTRUCTION

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7.0 Construction

The construction manager is responsible for monitoring the general contractor, construction progress, and compliance with Program standards during construction activities at the applicant's home. In addition, the construction manager is responsible for assisting Program applicants with any disputes that they may have with the general contractor.

7.1 Notice to Proceed (NTP)

The primary purpose of a notice to proceed (NTP) is to control the timing of construction activities and avoid initiation of construction without proper permits or authorization by the Program. Upon notification by the Program that the applicant is eligible and has signed the grant agreement, the construction manager will issue an NTP to the general contractor. At a minimum, the NTP will include date of issuance, date to initiate construction, timeframe or date to complete construction, and contact information for the construction manager and progress inspector. In addition, the approved ECR scope of work (memorialized as an attachment to the grant agreement) will also be attached to the NTP.

Changes to the construction start and end dates requested by the general contractor will be memorialized in a change order.

General contractors will be paid on a draw schedule agreed to by the general contractor and construction manager before the start of construction, with the final payment occurring after completion and issuance of a certificate of completion by the construction manager. Construction progress and quality will be monitored throughout each project, and payment of each progress draw is contingent upon successful inspection by the Program. In the event that an applicant disagrees with the payment to a Program-assigned general contractor for completed work, the Program reserves the right to have a third-party inspection performed by a QA/QC contractor. Should the QA/QC contractor find that the quality of the work is consistent with Program standards, the Program may issue the general contractor the payment regardless of applicant approval.

7.2 Construction Monitoring

During construction, a Program progress inspector is responsible for the following:

- Working with the construction manager to monitor applicant construction contracts and change orders.
- Complying with and monitoring Green Building Requirements (GBR), Program labor standards and equal opportunity requirements.
- Conducting periodic inspection and evaluation of the contractor's work for quality and compliance with the agreed-upon scope, Program specifications, and construction drawings as applicable.

7.3 Progress Payments

Each rehabilitation, replacement, elevation and reconstruction project will be subject to a construction contract which will include performance measures and define progress payments. Each request for progress payment submitted by a general contractor must contain the following:

- A Progress Report from the progress inspectors that certifies that all necessary inspections have been made and that work has been satisfactorily performed in accordance with state and local building codes.
- The signature of the progress inspector evidencing his or her approval of the work for which payment is requested.
- Lien waivers from all identified subcontractors and the general contractor for all work and materials.

7.4 Change Orders

7.4.1 Contractor Initiated Change Orders

Change orders are issued when the initial agreed-upon pricing or scope of work to be completed requires modification for repairs not identified during the initial damage assessment. First, the general contractor must complete a *Change Order Request Form*. This form and supporting documentation must be delivered to the progress inspector for review. Each change order must have a cost analysis using the approved bid book for the Program.

If the Program approves the change order, it is returned to the general contractor for execution. Executed change orders are provided to the applicant for their records.

Change orders are invoiced on the final draw only and categorized as “change order.” The amount listed on the invoice must match the previously approved amount and must be cost-reasonable. The construction manager is responsible for verifying cost reasonableness and that the work to be completed under the change order could not have been identified by non-invasive sight-only inspection by the damage inspector at the initial inspection. Verification and documentation of cost reasonableness is attached to the change order.

At closeout, the applicant’s grant agreement will need to be amended to account for any change to the award amount resulting from change orders.

7.4.2 Applicant-Initiated Change Orders

An applicant-initiated change order is defined as a specific addition or deletion to the ECR-identified scope of work requested by the applicant. Applicant scope changes do not include changes that are the result of unforeseen conditions or discrepancies in contract documents (specifications or drawings). In general, applicant change orders are not allowable unless

related to an accessibility issue that has developed since the issuance of the NTP. All applicant-initiated change orders must be approved in writing by the progress inspector and meet all required criteria.

7.5 Construction Manager Responsibilities

During the change order process, the Construction Manager is responsible for ensuring the following:

- The reason for the change order and dollar amount(s) of the change order have supporting documentation and are necessary and reasonable.
- All required signatures are on the change order form.
- All change order work is completed prior to final inspection.
- A change order for compensation of time or cost is only issued in writing after final inspection.
- The amount of the change order will be added to an amended grant agreement upon completion of construction.

7.6 Open Permits

Applicants who have open permits must either close out existing open permits or execute a scope affidavit that relinquishes liability for items that cannot be inspected by the local government prior to execution of the grant agreement. The Program will not issue any reimbursement payments or any NTP for construction activities if the applicant fails to close the permits or execute the affidavit. Failure to perform at least one of these actions will result in the applicant's file being placed on hold.

Additional details regarding the Construction Process can be found in the approved *NCORR Construction Management Standard Operating Procedures.*

7.7 Construction Closeout

Once construction is complete, the general contractor will request a final site visit to validate that all work outlined in the ECR has been satisfactorily completed according to the appropriate state and local codes and the home meets HQS. The final site visit confirms that all work has been completed and accepted by the local building inspector along with any required certificate of occupancy. The homeowner, the general contractor, and the Program progress inspector will complete and sign a final inspection form and place it in the project file.

In addition to the final site visit to verify completion of the applicant's scope of work as outlined in the approved ECR, the general contractor will be required to submit a Construction Closeout packet to the construction manager. At a minimum, the Construction Closeout packet will

include the following as shown on the *Construction Manager Closeout Checklist* (See *ReBuild NC CDBG-DR Construction Management Standard Operating Procedures*):

- All required permits and building inspection reports
- Final Program inspection
- Release of claims or liens from subcontractors and/suppliers
- Certificate of occupancy or equivalent
- Completed green building checklist
- Lead-based paint clearance report, if applicable
- Asbestos disposal manifest, if applicable
- Elevation certificate, if applicable
- Homeowner warranties
- DMV title-recording instructions (for replacement manufactured homes)

Additional details regarding the Construction Closeout can be found in the approved *ReBuild NC CDBG-DR Construction Management Standard Operating Procedures.*

COMPLETION AND CLOSEOUT

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8.0 Completion and Closeout

8.1 Project Closeout

In addition to the Construction Closeout packet submitted by the general contractor, Case Managers will work with program applicants to collect all closeout documentation for their file in accordance with the *Applicant Closeout Checklist*. At a minimum, applicant closeout documentation must include the following:

- Documentation of ownership and occupancy at the time of closeout.
- Updated duplication-of-benefits certification.
- Proof of flood insurance for a period of one-year beyond project completion, if applicable.
- Amended Homeowner Grant Agreement covering all benefits through Project completion.

Applicant files will be closed out in the Program once all documentation is received and approved by the Program. A final closeout file review will be required to ensure that all documentation required in each step of the process is complete and compliant. This review checklist will be included in the Quality Control (QC) Plan for program.

8.2 Flood Insurance Requirements

If the applicant's damaged home, reconstructed home, or replacement home is located in a Special Flood Hazard Area, any insurable structure on any part of the property will, at all times, be insured under a policy of flood insurance in the amount of the lesser of the following:

- The full insurable value of the structure as determined by the applicable property insurer.
- The maximum amount available for the structure under the NFIP or a successor program.

Failure to maintain insurance may result in an applicant being ineligible for future disaster relief. Upon sale or transfer of the property, the applicant will, on or before the date of such transfer and as part of the documents evidencing such transfer, notify all transferees in writing of the continuing obligation to maintain flood insurance on the property. In the event that the applicant fails to provide such notice, the applicant may be liable to the United States for future disaster assistance related to the property.

Evidence that the damaged home (or reconstructed home) is covered by flood insurance must be provided at the grant agreement execution and again before closeout, if flood insurance is required. A declaration sheet or ACORD form describing coverage from the applicant insurance

company will be sufficient evidence to satisfy this requirement. If flood coverage is required but not available due to the disrepair of the damaged home, the applicant must submit a declination letter from the insurer at the Grant Agreement Execution. The applicant must also provide proof that he or she obtained flood insurance once construction has been completed and prior to final payment of grant dollars.

8.2.1 Flood Insurance Verification

The Program will collect initial flood insurance information from the applicant through the application process and assess whether the damaged residence has previously received federal assistance requiring flood insurance. Applicants who are required to maintain flood insurance but do not meet this requirement will be ineligible for program funding.

8.2.2 Flood Insurance Monitoring and Compliance

Flood insurance monitoring will require the applicant to submit documentation meeting the compliance requirements of Section 102(a) of the *Flood Disaster Protection Act of 1973*. The standard documentation for compliance with Section 102(a) is **either** a paid receipt for the current annual flood insurance premium and a copy of the application for flood insurance **or** a copy of the current Policy Declarations form issued by the NFIP or issued by any property insurance company offering coverage under the NFIP. Applicants who cannot met these requirements will be determined to be non-compliant and may have to repay all or a portion of assistance provided by the Program.

To monitor for compliance with all flood insurance requirements, the Program will verify and document the following:

- **Section 102(a)** compliance through the upload of **either** a paid receipt for the current annual flood insurance premium and a copy of the application for flood insurance, **or** a copy of the current Policy Declarations form for every assisted SFHA building or personal property in accordance with the coverage prescribed by Section 102(a) of the Act.
- **Section 582(a)** compliance through verification that HUD disaster assistance was not made available in a special flood hazard area to a person for repair, replacement or restoration for flood damage to any personal, residential, or commercial property if: (1) the person had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) the person failed to obtain and maintain flood insurance.
- **Verifying Duration and Dollar Amount of Coverage.** The Program will verify compliance with the statutorily prescribed period and dollar amount of flood insurance coverage by:
  - **Duration of Flood Insurance Coverage.** Obtaining documentation of policy coverage prior to the signing of the Grant Agreement and final disbursement of Program funding. The statutory period for flood insurance coverage may extend

beyond project completion. For grants and other forms of financial assistance, the requirement for maintaining flood insurance shall apply during the life of the building as long as it remains in the 100-year floodplain, regardless of transfer of ownership of such building or personal property.

— **Dollar Amount of Flood Insurance Coverage.** For grants and other forms of financial assistance, the amount of flood insurance coverage must be at least equal to the development or project cost (less estimated land cost) or to the maximum limit of coverage made available by the NFIP with respect to the particular type of building involved, whichever is less. The total cost (federal and non-federal) of the federally assisted project for acquiring, constructing, reconstructing, repairing, or improving the building is used to determine the dollar amount of flood insurance coverage.

8.3 Grant Recovery

During the course of implementing and monitoring the Program, applicant files may be identified for potential grant recovery during one of several reviews by program staff or auditors. Files identified as potential grant recovery shall be placed in a grant recovery status in Salesforce and a hold placed on the file until a full review of the file is conducted in accordance with NCORR's Recapture policies.

As a result of this review, an applicant may be required to repay all, or a portion of funds received by the Program. Reasons for recapture of program funding include the following:

- An applicant is determined to have provided false or misleading information to the Program.
- An applicant withdraws from the Program prior to completion of the project.
- An applicant does not complete construction or environmental remediation activities.
- An applicant does not report receipt of additional insurance, SBA, FEMA, or other duplicative assistance.

Applicants identified for recapture of program funding will not be closed out of the Program until all funds have been repaid to the Program.

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