

MISSISSIPPI DEVELOPMENT AUTHORITY

MISSISSIPPI



Mississippi Development Authority

Homeowner Rehabilitation and Reconstruction Program

PROGRAM GUIDELINES

Version Control

Version Number	Date	Summary of Changes	Approved By
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Version Policy

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

Policy Change Control

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

1 Introduction

This document serves as the Program guidelines for the State of Mississippi’s disaster recovery Homeowner Rehabilitation and Reconstruction Program (HRRP or Program). These guidelines were developed to serve as a basis for the State’s housing Program and to provide guidance on Program implementation that follows HUD requirements and best practices. This document may also serve as a reference for property owners, applicants, and other interested parties who want to understand how the Program operates. Note that this Program Guidelines document is only intended to address the Homeowner Rehabilitation and Reconstruction Program. Each of the other recovery Programs outlined in the Mississippi Action Plan for Disaster Recovery (“Action Plan”) is governed by its own Program Guidelines document.

In 2025, the State of Mississippi was awarded a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the US Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by 2023/2024 Disaster Events, DR-4697-MS, DR-4727-MS & DR-4790-MS, as outlined in the HUD approved action plan found at: <https://msdisasterrecovery.com/action-plans/2023-2024-disasters/>. Federal Register Volume 90, No. 10, published on January 16th, 2025 (90 FR 4759), also known as the Allocation Announcement Notice (AAN) allocated a combined total of \$134,953,000 in disaster recovery funds to the State of Mississippi. These funds will be administered through the Mississippi Development Authority – Community Incentives Division (MDA-CID). MDA-CID is the agency responsible and accountable to HUD for the administration of CDBG-DR funding. MDA-CID has allocated \$17,322,630 in CDBG-DR funding for the Homeowner Rehabilitation and Reconstruction Program which will serve owner-occupied properties. The Program will be directly administered by the state, and currently no subrecipients are identified. In addition to the AAN, funds are subject to the requirements of the Universal Notice (*Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice*, published on January 8, 2025, at 90 FR 1754, as amended by Memorandums 2025-02 and 2025-03).

2 Program Overview

The Homeowner Rehabilitation and Reconstruction Program provides housing assistance to eligible single-family homeowner applicants affected by 2023/2024 disaster events (qualifying disasters).

Date of Disaster	Location of Disaster	FEMA Disaster Identifier
03/24/2023 - 03/25/2023	Monroe County (Amory 38821), Sharkey County, Humphreys County (Silver City 39166)	4697
06/14/2023 - 06/19/2023	Jackson County (Moss Point 39563)	4727
04/08/2024 - 04/11/2024	Hinds County, Humphreys County (Belzoni 39038 and Silver City 39166), and Scott County	4790

Table 1: Dates and Locations of Qualifying Disasters

HRRP assists property owners by providing funding for direct services to rehabilitate or reconstruct single family homes that suffered damage from the qualifying disaster.

The Program serves low- to moderate-income (LMI) households impacted by the qualifying disaster in seven affected areas: Three counties (Sharkey, Hinds, and Scott) and four zip codes Belzoni (39038) and Silver City (ZIP code 39166) in Humphreys County, Moss Point (ZIP code 39563) in Jackson County, and Amory (ZIP Code 38821) in Monroe County.

Applicants who meet the eligibility and other Program requirements explained herein may be awarded funds to rehabilitate or reconstruct their storm-damaged property. Program funds will not be distributed directly to homeowners; instead, they will be distributed to Program-selected general contractors and used to cover the costs of construction activities. Eligible property types may include:

- Stick-built homes
- Mobile home units (MHU)
- Modular homes

2.1 Purpose and Objective

This Program is designed to ensure that the housing needs of LMI households impacted by the qualifying disaster events are addressed to the greatest extent feasible. To this end, the Program will address disaster-related damages and other improvements to bring properties up to decent, safe, and sanitary conditions, if needed. While HRRP does not endeavor to replace homes in a “like-for-like” manner, it will incorporate mitigation measures to make assisted homes more resilient in the face of future disasters.

2.2 National Objective

All activities funded through HRRP will meet the HUD National Objective of providing benefit to Low- and Moderate Income (LMI) persons as defined at 24 CFR 570.483(b)(3). To ensure that the Program is in compliance with HUD's National Objective to benefit LMI persons, 100% of applicant households served by HRRP must qualify as LMI with a total household annual gross income that does not exceed 80% of Area Median Income (AMI), adjusted for family size, as published annually by HUD.

2.3 Award Caps

The maximum award granted to reconstruct or rehabilitate any one structure is \$175,000. Exceptions to the award caps may be granted on a case-by-case basis in order to ensure accessibility standards are met, or for other unforeseen circumstances.

- Stick-built Properties:
 - Rehabilitation Award – Stick built properties qualify for a rehabilitation award if the estimated cost to rehabilitate is less than 50% of the pre-storm value of the structure, or \$50,000, whichever is less.
 - Reconstruction Award – Stick-built properties qualify for a reconstruction award if the estimated cost to rehabilitate is greater than or equal to 50% of the pre-storm value of the structure or \$50,000, whichever is less.
- Mobile Home Units (MHU)
 - Rehabilitation Award - MHUs qualify for rehabilitation award if the estimated cost to rehabilitate the unit is less than \$15,000 and the unit is fewer than five (5) years old.
 - Reconstruction Award - MHUs qualify for reconstruction award if the estimated cost to rehabilitate the unit is greater than or equal to \$15,000 or the unit is greater than or

equal to five (5) years old. MHUs will not qualify for MHU replacement; instead, a stick-built reconstruction will be available.

2.4 Outreach and Engagement Activities

MDA-CID is committed to ensuring that HRRP is implemented in a transparent, efficient, and consistent manner, and that all potentially eligible households are aware of and understand the opportunity to participate in the Program. The Program's marketing and outreach strategy is designed to reach households in the MID area from the onset of the Program throughout the application period and Program lifecycle.

MDA-CID will implement outreach and engagement activities to promote awareness of CDBG-DR Programs and to ensure that all eligible residents, including those in hard-to-reach communities, are informed of Program opportunities and how to access assistance. MDA-CID will use official communication channels including printed materials, electronic mail, Program website updates, community meetings, press releases, and social media channels to provide timely, accessible updates regarding key Program milestones, including the opening of the HRRP Program applications and the scheduling of public hearings related to the Program.

Social media will serve as a real-time communication tool to:

- Notify residents when applications for the Program are open.
- Announce dates, times, and locations (physical or virtual) of public hearings on proposed plans, amendments, or CDBG-DR-funded projects.
- Share links to online applications, Action Plan documents, comment forms, and other Program information.
- Remind residents of upcoming deadlines for application submission or public comment periods.
- Primary platforms to be used may include:
 - **Facebook:** Public announcements, event invitations, and shareable graphics
 - **Instagram:** Visual promotion of Program milestones, community engagement events, and success stories
 - **YouTube or Vimeo** (if applicable): Hosting recordings of public hearings and outreach videos
 - **X:** Public announcements, event invitations, shareable graphics, community engagement events, Promotion of program deadlines

3 Intake Application

Applications will be accepted by HRRP at the designated service centers in each of the six (6) counties. Due to funding limitations and other factors, HRRP cannot guarantee assistance to all interested

property owners¹. MDA-CID may adjust the intake period at its discretion to accommodate Program needs. Applicants may only submit an application for their primary residence.

Single-family homeowners who are interested in assistance may apply for the Program at the below service centers or online at www.mshousingrecovery.com. Below are the locations of the intake centers and the office hours.² Any updates to the hours of operations and/or intake will be published on www.mshousingrecovery.com.

County	Intake Center Location	Office Hours
Hinds	Edwards Community Center 108 Mt. Moriah Rd. Edwards, MS 39066	Monday-Wednesday 10am-7pm; 1st Saturday of the Month 1-4PM.
Scott	EMA Building 210 East 2 nd Street Forest, MS 39074	Thursday-Friday 10am-7pm; 3 rd Saturday of the Month 1-4PM
Sharkey	Rolling Fork Intake Center 412 S 3 rd Street Rolling Fork, MS 39159	Monday-Tuesday 10am-7pm; 1st Saturday of the Month 1-4PM.
Belzoni (39038) Humphreys County	Rylice Radio Station 121 E Jackson Street Belzoni, MS 39038	Wednesday-Thursday 10am-7pm; 3 rd Saturday of the Month 1-4PM
Silver City (39166) Humphreys County	Volunteer Fire Department 119 Plum Street Silver City, MS 39166	Friday 10am-7pm
Moss Point (39563) Jackson County	Moss Point City Hall 4320 McInnis Avenue Moss Point, MS 39563	Monday-Friday 10am-7pm; 1 st & 3 rd Saturday of the Month 1-4PM.
Amory (38821) Monroe County	Youth Court Building 1619 Highland Drive Amory, MS 38821	Monday-Friday 10am-7pm; 1 st & 3 rd Saturday of the Month 1-4PM

Table 2: Location and Office Hours of Program Intake Centers

Applicants will be required to complete an intake application and provide supporting documents required for eligibility review, income verification, and duplication of benefits review. All documentation

¹ HRRP will serve as many applicants as possible with the allotted budget.

² These hours are only applicable during intake period. Please see website for updates. Please note that State-recognized holidays may impact these hours.

submitted by the applicant must be valid at the time of submission. The application process will require each applicant to authorize the Program to obtain third-party data by signing a consent/release form.

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

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information regarding their application status and the Program. Applicants may check the status of their application via the Program website at www.mshousingrecovery.com, or by using one of the below methods of communication. Methods of communication with the Program include, but are not limited to:

- Mississippi Housing Recovery website: www.mshousingrecovery.com
- Email: info@mshousingrecovery.com
- Telephone: 866-981-7727
- Mail correspondence:

Mississippi Development Authority
ATTN: Community Incentives Division – Disaster Recovery
Post Office Box 849
Jackson, Mississippi 39205

MDA-CID will ensure that all applicants have meaningful access to the intake and application process consistent with Title VI of the Civil Rights Act of 1964. Applicants who require assistance due to language, disability, or other access barriers may request reasonable accommodations and the Program will work with them to ensure their ability to participate fully in the application process.

3.1 Applicant Identification and Proof of Citizenship/Immigration Status

All applicants and household members of applicants aged 18 or older will be required to submit a valid, unexpired photo identification. Forms of identification accepted by HRRP include:

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

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

All adult household members (18+) must meet the eligibility and verification requirements under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), as amended (8 U.S.C. §§ 1601–1646), and as required by the Universal Notice. Assistance is limited to U.S. citizens and qualified aliens as defined in 8 U.S.C. § 1641.

- A U.S. Passport, Certificate of Naturalization, Certificate of Citizenship, or U.S. Birth Certificate is sufficient proof of citizenship and does not require SAVE verification.
- Immigration documents, such as a Permanent Resident Card, must be verified through the Systematic Alien Verification for Entitlements (SAVE) system or another DHS-approved verification method.

3.1.1 Applicant Designees

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

- **Power of Attorney:** A Power of Attorney is someone who is legally authorized to act on behalf of the applicant. The powers afforded to a legally authorized Power of Attorney vary, based on the duly executed Power of Attorney document. HRRP will not provide assistance to the applicants in creating a Power of Attorney but will recognize the powers of a legal Power of Attorney as outlined in a Power of Attorney document submitted by the applicant.
- **Co-Applicant:** A Co-Applicant must be an adult, and co-owner of the damaged property. A Co-Applicant must also be a household member at the damaged property. Co-Applicants will have the same authority over the application as the Applicant. If a Co-Applicant is designated by the Applicant, Co-Applicants must sign all Program documents with the Applicant. Applicants with joint ownership of a property must submit a Co-Owner Consent form, signed by all co-owners, which gives each co-owner's consent for HRRP activities affecting the damaged property up to demolishing and reconstructing the property, if the applicant qualifies to receive assistance. However, Applicants are not required to designate a Co-Applicant, regardless of whether or not the damaged property is owned jointly.
- **Designated Representative:** A designated representative may be any adult person the applicant wishes to designate as an authorized person to receive information about the Applicant's application. HRRP shall be authorized to share information with the designated representative, but the designated representative is not authorized to make any decisions regarding the application or affect the application on the applicant's behalf.

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

3.2 Required Applicant and Co-applicant Certifications

As part of the application process, each applicant must sign an Acknowledgements and Consent statement. The Acknowledgements and Consent statement includes the following acknowledgements

and authorizations. The table below outlines the required certifications and a description of the content of the certification.

Certification	General Description
Release of Information	Authorization from the applicant to share and receive personal information from third parties in connection with HRRP and for purposes of progressing his/her case through
Right of Entry	Authorization from the applicant for the Program to access the damaged property throughout the life of the application
Certification of Truthfulness	Applicant affirmation that all information provided in the application is accurate
Subrogation Agreement	Applicant affirmation that any funds received for the same purpose as funds provided under provision of assistance through must be returned to MDA-CID
Construction Stop Work	Applicant agreement to stop all construction work at the damaged property and take no choice limiting actions after date of Program application.
Conflict of Interest Disclosure	Applicant’s report of relationship with any public servant, employee, agent, consultant, officer, or elected official or appointed official of MDA-CID, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program (collectively, “Public Servant”) and the nature of said relationship. Applicants who do not have a relationship with Public Servants must report that no such relationship exists.
No Income Certification (as applicable)	Self-certification confirming that the applicant, co-applicant, or adult household member who claimed zero income attests that he/she does not receive income from any source (i.e. Social Security, retirement, disability, alimony, etc.).
No Insurance Certification (as applicable)	Attestation that the storm-impacted property was not insured at the time of the disaster.
Media Release	Applicant’s consent to allow or decline the use of photos, video, testimonials, or other media content related to the reconstruction of their home for Program marketing purposes.
Designated Representative	Authorization from the applicant for an alternate contact to receive information from the Program team regarding the application.

Table 3: Applicant Certifications Collected at Intake

3.3 Order of Assistance (Priority)

In order to assist the most vulnerable households in Mississippi, HRRP will process applications based on two tiers of priorities as follows:

1. **Tier 1:**

Applications located within or immediately adjacent to the verified National Weather Service (NWS) storm track corridors of the March 2023, June 2023, and April 2024 disaster events, shall receive highest priority consideration. These areas represent the most severe impact zones with confirmed major or total housing loss.

2. **Tier 2:**

Applications from census tracts or communities identified by HUD as Most Impacted and Distressed (MID), but located outside of the direct NWS storm path, shall receive secondary priority. These areas experienced significant indirect damage or community disruption as a result of the disaster event.

HRRP will use NWS storm track data, paired with FEMA Individual Assistance to confirm the applicant's residence within an eligible impact zone. The Program shall maintain official GIS overlays of NWS storm paths and integrate them into the Program's prioritization system.

Within each tier, HRRP will prioritize review of applications based on the following factors:

- **Priority 1:** Low-to-Moderate-Income Applications with **both**:
 - a. Age-dependent household member(s)³ **AND**
 - b. Household member(s) with a documented disability

- **Priority 2:** Low-to-Moderate-Income Applications with **either**:
 - a. Age-dependent household member(s) **OR**
 - b. Household member(s) with a documented disability

- **Priority 3:** Low-to-Moderate-Income Applications with **neither**:
 - a. Age-dependent household member(s) **OR**
 - b. Household member(s) with a documented disability

3.3.1 Verification of Disability

To be considered as a household with disabled household member(s), a Verification of Disability Form must be completed by the applicant. Although not required to be eligible, applicants will be required to submit verification of disability documentation as part of the intake process for the purpose of prioritization. The Verification of Disability form requires that the applicant document the disability via one of the following acceptable methods:

³ For the purposes of program priorities, age-dependent households are defined as households including members greater than or equal to 62 years old and/or less than or equal to 17 years old.

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

3.3.2 Age-Dependent Household Members

For purposes of assigning priority for age-dependent household member(s), age will be determined at the point when an application is submitted. Applicants and their households cannot "age into" or "age out of" priority. For example, if a household qualifies for priority status because a household member is age seventeen (17) at the time the application is submitted, the priority designation will be honored throughout the life of the Program. Priority does not expire when the household member turns eighteen (18). Similarly, if a household member was under sixty-five (62) years old at the time of application but turns sixty-two (62) prior to the close of the application, priority will not be assigned at the time of the household member's sixty-second (62nd) birthday.

4 Eligibility Requirements

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

If an Applicant is found to have submitted inaccurate, incomplete and/or fraudulent information in order to appear eligible for HRRP, then they may be required to make full restitution to the State of Mississippi, including administrative fees, construction costs, and other costs. This includes but is not limited to omission of marital status, household income, acceptance of benefits, property ownership, primary residence, bankruptcy filings, and foreclosure status. ⁴

Below are the threshold requirements to be eligible for assistance. Threshold requirements are those that will either allow an applicant to continue to move forward in the Program or result in disqualification. Please note that being deemed eligible does not guarantee that assistance will be provided, as HRRP is subject to limited funding.

All applicants must demonstrate compliance with all eligibility criteria.

Applicants applying for assistance must meet all of the following criteria:

⁴ Please see 12.6 Recapture for further explanation of potential financial consequences.

- Applicant must have owned the damaged property at the time of the applicable disaster event and must still own the property;
- The applicant must have occupied the home as a primary residence at the time of the qualifying disaster;
- The storm-damaged property must be located within one of the HUD-MID areas;
- The storm-damaged property must have unrepaired damage as a result of the applicable disaster event as verified through inspection reports, FEMA data, or other acceptable damage assessment documentation;
- The storm-damaged property must be an eligible structure type as defined in section 4.5 below;
- The applicant must be current on their property taxes or on a payment plan in good standing;
- If there is a mortgage on the property, the mortgage must be in good standing;
- The Applicant’s household must qualify as low- to moderate-income, with a combined annual household income equal to or less than 80% of the Area Median Income, adjusted for family size;
- Property must be in good standing with federal flood insurance requirements, if applicable; and
- If the applicant qualifies for a relocation award, they must agree to the demolition of their storm-damaged property.

Eligibility Criterion	Document(s) Required
Must have owned the damaged property at the time of the Qualifying Disaster. Applicants must still own the property to receive assistance.	One (1) of the following: <ul style="list-style-type: none"> • Deed (Warranty or quitclaim) • Mortgage statement • Probated will • Court order or judgement granting ownership of the property • Other documents may be considered on a case-by-case basis • Mobile/Manufactured Homes Only: <ul style="list-style-type: none"> ○ Title ○ Bill of Sale showing applicant’s name as owner and purchase date prior to the Qualifying Disaster ○ MHU Registration with purchase date prior to the Qualifying Disaster ○ Warranty Deed identifying the MHU
Must have occupied the home as a primary residence at the time of the Qualifying Disaster.	One (1) of the following: <ul style="list-style-type: none"> • Homestead exemption at the storm-damaged property address in the year of the Qualifying Disaster;

Eligibility Criterion	Document(s) Required
	<ul style="list-style-type: none"> • FEMA IA award letter for damaged property address for damages caused by Qualifying Disaster; • SBA Disaster Home Loan award letter for damaged property address for damages caused by Qualifying Disaster <p>OR two (2) of the following:</p> <ul style="list-style-type: none"> • Driver’s license or state-issued ID card showing the damaged property address; issued prior to the date of the Qualifying Disaster and expiring after; • Utility bills addressed to applicant at damaged property address showing that services were provided in the month preceding or month of the Qualifying Disaster (must indicate household utility usage during pre-disaster time period); • Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the Qualifying Disaster; • Insurance documentation indicating primary residence in the year of the Qualifying Disaster, such as a homeowner’s insurance policy declaration page; • Employer’s statements, including pay stubs and similar employment documents (must be dated in the month preceding or month of the Qualifying Disaster) • Other documents may be considered on a case-by-case basis
<p>Property is located in a HUD-MID Area</p>	<p>Verified by the Program using storm-damaged property address and GIS mapping if needed</p>
<p>Property has unrepaired damage from the Qualifying Disaster.</p>	<p>Verified by the Program via a Damage Assessment;</p> <p>OR</p> <p>If it is impossible to verify storm damage via a Program damage assessment, such as in cases where the storm damaged property has been demolished, the applicant may be required to provide proof of storm damage, which may include:</p> <ul style="list-style-type: none"> • FEMA IA award letter for damaged property address for damages caused by Qualifying Disaster; • SBA Disaster Home Loan award letter for damaged property address for damages caused by Qualifying Disaster

Eligibility Criterion	Document(s) Required
	<ul style="list-style-type: none"> • Insurance claim noting damages at the damaged property address caused by Qualifying Disaster • Date-stamped, color photos of storm damage at the damaged property address; or • Other documents may be considered on a case-by-case basis
<p>The storm-damaged property must be an eligible structure type (Stick Built Home Structure, Mobile Home Unit, Modular Home)</p>	<p>Verified by the Program via a Damage Assessment; OR If it is impossible to verify structure type via a Program damage assessment, such as in cases where the storm damaged property has been demolished, the applicant may be required to provide proof of storm damage, which may include:</p> <ul style="list-style-type: none"> • Pre-storm information on structure type from the property appraiser’s office; • Date-stamped, color photos of the damaged property address; or • Other document considered on a case-by-case basis
<p>Property Taxes Current</p>	<ul style="list-style-type: none"> • Proof from the tax assessor of property taxes paid in full at the time of application; or • Proof of a payment plan in good standing at the time of application
<p>If there is a mortgage on the property, the mortgage is in good standing</p>	<ul style="list-style-type: none"> • Most recent mortgage statement, at time of application, showing no arrearages
<p>Household is low- to moderate-income⁵</p>	<p>Proof of income is required for the applicant and all household members aged 18 or older. Proof of income required varies by the type of income and individual earnings. Required documents to demonstrate income for the most common sources of income are as follows:</p> <ul style="list-style-type: none"> • Most recent year tax return <p>OR, if tax return is not available:</p>

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

Eligibility Criterion	Document(s) Required
	<ul style="list-style-type: none"> • Wages: Three (3) most recent paystubs • Retirement/Social Security: <ul style="list-style-type: none"> ○ Current Social Security Benefits letter (including benefits paid to minors), ○ Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or ○ Current Annuity Payment letter (if applicable), or prior year 1099 form; • Self-Employment Income: Most recent tax return (1040 or 1040A), W-2 Forms; and/or Current year profit and loss statement; • Unemployment Benefits: Current benefit letter with gross benefit amount; • Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation; • Taxable Interest and Dividends (including amounts received by, or on behalf of minors); • No Income: Adult household members who have not earned an income in the last year will be required to submit a Certification of No Income.
<p>If applicable, applicant must provide proof of federal flood insurance coverage</p>	<ul style="list-style-type: none"> • Federal Flood insurance policy

Table 4: Accepted method(s) of verification of eligibility criteria for Applicants

4.1 Ownership

Applicants must have owned the damaged property at the time of the Qualifying Disaster and must currently own the damaged property in order to be eligible for the Program.

4.1.1 MHU Ownership

Applicants applying for assistance for a mobile home unit (MHU) must establish ownership of the MHU at the time of the Qualifying Disaster. While MHU owners do not need to demonstrate proof of land ownership to be eligible, MHU owners must demonstrate that they have legal right to occupy the land. Note that if the applicant does not own the land and it is later determined that the cost to repair the MHU exceeds the allowed threshold for rehabilitation, the applicant must be able to provide an alternate site or obtain ownership of the land on which the MHU currently sits for stick-built construction.

4.1.1.1 Documents Required

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

- Property Title;
- Bill of Sale showing applicant name as owner and date of sale;

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

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

4.1.2 Stick-Built Properties Ownership

Applicants applying for assistance for a stick-built home must establish ownership of the property as of the date of the applicable disaster event.

4.1.2.1 Documents Required

Proof of ownership can be established with the following documents:

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

4.1.3 Trust

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

The following is required to confirm eligibility:

- The applicant(s) must provide a copy of the trust document; and.
- The trust document or an abstract or extract of the trust must be recorded in the conveyance records of the county in which the damaged property is located. This recordation in the conveyance records of the county in which the damaged property is located may be recorded post-storm(s) if necessary.

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

4.1.4 Title Clearance Activities

Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in this guideline due to heirship or probate issues may be afforded up to six (6) months from the date of application to clear title defects related to probate and/or heirship and provide the Program with an acceptable document to demonstrate ownership. If an applicant cannot sufficiently resolve ownership issues within **six (6) months of application submission**, the case will be deemed ineligible for failure to sufficiently prove ownership of the storm-damaged property.

4.1.5 Death of an Applicant

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

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

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

4.2 Primary Residence

Applicants must provide documentation that establishes that they occupied the damaged property as their primary residence as of the date of the Qualifying Disaster.

4.2.1 Documents Required

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

- Homestead exemption at the storm-damaged property address in the year of the Qualifying Disaster;
- FEMA IA award letter for the damaged property address for damages caused by the Qualifying Disaster; or
- SBA Disaster Home Loan award letter for damaged property address for damages caused by the Qualifying Disaster

OR two (2) of the following:

- Current driver's license or state-issued ID card showing the damaged property address; issued prior to the date of the Qualifying Disaster and expiring after;
- Utility bills addressed to the applicant at the damaged property address showing that services were provided in the month preceding or the month of the Qualifying Disaster (must indicate household utility usage during the pre-disaster time period);
- Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the Qualifying Disaster;
- Insurance documentation indicating primary residence in the year of the Qualifying Disaster, such as a homeowner's endorsement;
- Employer's statements, including paystubs and similar employment documents dated in the month preceding or month of the Qualifying Disaster;
- Other documents may be considered on a case-by-case basis

The Program will review and assess all available documentation together and determine primary residence based on the applicant's demonstration of consistency across the variety of documentation provided. In the event that inconsistencies in documentation are found, the application may not move forward in the eligibility process until the inconsistencies are resolved by the applicant. All applicants

to the Program bear the burden of proof for providing consistent evidence to prove primary residency at the time of the disaster. In the event of overcrowding, case management may request primary residency documents from the additional household member(s). Specific circumstances will be reviewed on a case-by-case basis.

4.3 Property Must be Located in Eligible County/Zip Code

To be eligible, a property must be located in a HUD-MID county/zip code. Currently, there are no State-identified MID areas. The Program will verify the property location using the property address and GIS coordinates/mapping if needed.

Eligible counties/zip codes are shown in the table below.

County	HUD or State MID
Hinds	HUD MID
Scott	HUD MID
Sharkey	HUD MID
Humphries County (Zip Code 39038)	HUD MID
Humphreys County (Zip Code 39166)	HUD MID
Jackson County (Zip Code 39563)	HUD MID
Monroe County (Zip Code 38821)	HUD MID

Table 5: HUD and State Designated Most Impacted and Distressed (MID) Counties

4.4 Property Has Unrepaired Storm Damage

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

4.5 Eligible Structure Type

To be eligible for assistance, the property must be an eligible structure type. Eligible structure types include:

- Single-family stick-built/traditional homes
- Mobile Home Units (MHU)
- Modular Homes

4.5.1 Ineligible Structures

The following structure types are ineligible for assistance:

- Multi-unit structures, townhomes and condominiums

- Unless they are required by community covenants, garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for rehabilitation but may be eligible for demolition only, as part of an eligible project, if deemed a safety hazard or in the path of the proposed construction activities. Garages, sheds, and outbuildings will not be addressed as stand-alone activities;
- Recreational Vehicles and camper trailers used as a residence are not eligible for the Program;
- Houseboats used as a residence are not eligible for the Program;
- Second homes;
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within a Coastal Barrier Resources System unit;
- Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or in foreclosure;
- Properties located on sites with extraordinary site conditions that are determined to be not feasible for demolition and reconstruction. Extraordinary site conditions may include but are not limited to properties with environmental concerns, properties where local building codes prohibit Program scopes of work, or properties located in a floodway.

4.6 Property Taxes Current

All applicant(s) must be current on their property taxes, or current on a locally approved payment plan through the local taxing authority, except for MHUs located on non-owned land (leased lots). HRRP will have the applicant provide documentation from the local Property Appraiser's Office or may obtain such information electronically from a local tax collector's office.

Properties with delinquent real property taxes are ineligible.

4.7 Mortgage in Good Standing

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

Properties with delinquent mortgages, or properties that are subject to bankruptcy proceedings or in foreclosure are ineligible.

4.8 Household Must be Low- to Moderate Income (LMI)

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

4.8.1 Income Calculation Methodology

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

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

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

4.8.1.1 Household Composition Determination

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

to-moderate income objective is based on the total combined adjusted gross income of all the household members.

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

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

- **Minors** - Earned income of minors (household members under age 18), including foster children is not counted. Unearned income attributable to a minor is included in the household income calculation (Examples include payments from trusts, stocks, bonds, etc. if the payments are taxable at the Federal level).
- **Temporarily Absent Family Members** - The income of temporarily absent family members is counted in the annual income, regardless of the amount the absent member contributes to the household. Temporarily absent family members are also counted as a member of the household when determining the household size.
- **Permanently Absent Family Members** - In situations where family members are permanently absent such as when a spouse is in a nursing home, the head of household has the choice of excluding the individual in the household composition, as well as any taxable income they receive. However, if the absent family member is included in the household composition, the taxable income must also be included in the total household income calculation.

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

- Persons who are temporarily living with the applicant, including tenants⁶
- Persons who are employed by the household as a live-in aide and/or are a child of that aide. *Note: A live-in aide/caregiver that is related does not qualify. In such cases, their income will be included in the total household income calculation and the live-in aide, and any child of the aide will be included in the total household composition; and*
- If an applicant is married and their spouse is absent from the household, the income of the absent spouse will not be included in the total household income if documentation of a separate residence for the absent spouse is provided.

5 Conflict of Interest

A conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of MDA-CID, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program (collectively, "Public

⁶ A tenant is an individual who has signed a lease agreement and is legally financially responsible for payment of rent regarding the leased property.

Servant”) may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves or a member of their family during their tenure.

For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 2 CFR § 200.112, 24 CFR §570.611 and 24 C.F.R. §570.489(h).

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

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

Applicants must disclose their relationship with any public servant(s) at the time of their application, if applicable. Any relationship reported between an applicant and public servant will be evaluated to determine if said relationship constitutes a conflict of interest as outlined in HUD conflict of interest regulations, at 24 C.F.R. §570.611 and 24 C.F.R. §85.36, as well as applicable Mississippi conflict of interest and ethics rules at Miss. Code § 25-4-101, *et seq.* If it is determined that the relationship between the applicant and the public servant(s) constitutes a conflict of interest, the applicant may not receive benefit under HRRP.

6 Duplication of Benefits

Eligible applicants may have previously received assistance from other sources for the repair of their storm-damaged property. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. §5121 *et seq.*, prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss as to which he/she has received financial assistance under any other Program, from private insurance, charitable assistance, or any other source.

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

To determine if a DOB exists, HRRP first considers the “total assistance” available to each applicant. Total assistance includes all reasonably identifiable financial assistance available to the applicant. Total assistance does not include personal assets such as money in a savings account or credit cards. After total assistance has been determined, non-duplicative assistance is deducted. Non-duplicative

assistance is: (i) assistance provided for a different purpose than HRRP funds; or (ii) assistance provided for the same purpose as HRRP funds that was expended for a different eligible use.

DOB occurs when funds from multiple sources are provided for the same recovery purpose, and the total amount of assistance exceeds the verified need. If a DOB occurs, the applicant's HRRP award must be reduced by the amount of the DOB.

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

6.1 Common Available Assistance

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

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

Funds received from any source including flood insurance, FEMA, and hazard insurance that were used to repair storm damage to the applicant's home prior to application may reduce the amount of available assistance considered if the evidence of expenditures at least equals the amount of assistance provided from the source. Documentation must be provided demonstrating the cost and type of repair conducted.

Any additional funds paid to applicant awardees for the same purpose as the HRRP housing assistance award after the state has completed the rehabilitation, or reconstruction of the homeowner's housing units must be returned to MDA-CID.

6.1.1 FEMA Individual Assistance (IA)

FEMA IA assistance may have been provided to applicants for home repairs. In cases where applicants have received assistance for home repairs, such amount will be considered duplicative by the Program. FEMA IA will be determined and verified by the Program through FEMA provided datasets or through applicant-provided information originating at FEMA such as a FEMA Award letter. If evidence is provided that the FEMA award included assistance for items not related to structure repair, then the amounts not related to structural repair will not be counted as a DOB. If HRRP is unable to verify the FEMA IA amount through the FEMA database, The payment amount provided by the homeowner at the time of application will be used.

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

6.1.2 FEMA National Flood Insurance Program (NFIP)

Any payments for loss to the dwelling due to the qualifying disaster under NFIP insurance policies may be considered available assistance. Payments for contents or other expenses are not considered available assistance, as this is funding provided for a different purpose than funds provided by HRRP. NFIP claim information will be verified by using third party data provided by NFIP. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the NFIP database includes items not related to the structural loss, HRRP may consider the documentation provided by the homeowner to adjust the insurance payout within the DOB calculation. The documentation provided by the homeowner must come from the insurance company which issued the payments, and it will be included in the homeowner's file.

6.1.3 Increased Cost of Compliance (ICC)

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

6.1.4 Private Insurance

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

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

As set forth in the Universal Notice, *“applicants for CDBG-DR assistance are expected to seek insurance or other assistance to which they are legally entitled under existing policies and contracts”*. Therefore, applicants seeking funds under HRRP were/are expected to file a claim with private insurance if the damaged property was insured at the time of the storm. As such, the Program will reach out to the applicant to collect insurance claim information from the applicant if:

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

If an applicant who had insurance or a mortgage (which indicates the property is insured) did not file a claim for the qualifying storm(s), the applicant will have 30 days to file a claim and provide evidence

of the insurance company's response regarding the claim. If the insurer approves the claim, the amount of funding approved by the insurance company will be considered in accordance with section 6 of the HRRP Program Guidelines. If the insurer indicates that the deadline to file a claim for the qualifying storm(s) has passed or that the applicant's claim is otherwise denied, HRRP may serve the applicant, as the funds are no longer available to the applicant.

6.1.5 Small Business Administration (SBA)

Federal regulations deem approved SBA loans for rehabilitation and reconstruction to be available assistance for federally funded repair Programs. If an applicant has executed a loan with SBA to cover the cost of repairs or reconstruction, the total amount of the approved loan is considered available assistance. For CDBG-DR funds allocated for the Qualifying Disasters, however, the Universal Notice provides that declined or cancelled loans do not constitute a duplication of benefits. The Program will collect SBA information provided by the Applicant through the application process. In addition, the Program may obtain a data feed from SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different assistance categories (e.g., real property, personal property, vehicles, etc.).

6.1.5.1 Declined SBA Loans

Declined loans are loan amounts offered by a lender but turned down by the applicant, meaning the applicant never signed loan documents to receive loan disbursements. HRRP will attempt to verify declined loan amounts using third-party data from SBA. Declined loans must be documented through the SBA data feed in conjunction with written communication from the lender (SBA), for declined loans to be considered funding not available to the applicant.

6.1.5.2 Accepted but Undisbursed SBA Loan Amounts

Cancelled loans occur when the applicant (borrower) has entered a loan agreement, but all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to the default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, expiration of the term for which the loan was available for disbursement, or other reasons. The cancelled loan amount is the amount that is no longer available to the applicant.

If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a DOB. Cancelled subsidized loan amounts are not considered funds available to the applicant but are subject to further requirements below. Applicants may not take actions to reinstate the canceled loan or draw any additional undisbursed loan amounts.

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

6.1.6 Other Sources

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

must be provided by the applicant, verified by the Program, and applied as a duplication of benefits by the Program.

6.2 Assistance Not Considered Duplicative

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

The Program will allow for reductions of duplication of benefit totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with the Universal Notice, HRRP may exclude from duplication of benefits assistance that was: (1) provided for a different purpose; or (2) provided for the same purpose, but for a different, allowable use. Each of these categories is further described below.

6.2.1 Funds for a Different Purpose

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., “disaster relief/recovery”), and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB. For example, per the Universal Notice, grantees may exclude, as non-duplicative, insurance proceeds provided for a different purpose (e.g., insurance proceeds for loss of contents and personal property, or insurance proceeds for loss of buildings (such as a detached garage) that the grantee has determined it will not assist with CDBG-DR funds). However, a grantee may treat all insurance proceeds as duplicative assistance if it is impractical to identify the portion of insurance proceeds that are for a different purpose than the CDBG-DR assistance.

6.2.1.1 Funds Not Available to the Applicant

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

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

6.2.2 Funds for the Same Purpose, but Different Eligible Use

Funds received for the same purpose as funds provided under HRRP, but that were used by the Applicant for a different allowable use may be excluded from the final award calculation. In some instances, funds provided for the same general purpose (e.g., rehabilitation of a home) as the CDBG-DR funds may have been used by the applicant for a different allowable use. In these circumstances,

if the Applicant can document that the funds received were used for a different, but eligible, use, then the funds are not duplicative. During the damage assessment, the Program will conduct a Damage Repair Valuation (DRV), which quantifies a value assigned to repairs completed by the applicant prior to Program application⁷. Eligible, verified repairs outlined in the DRV will be used to offset duplication of benefits as funds for the same general purpose (home repair), but different eligible use.

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

6.3 Calculation of Duplication of Benefits

The DOB Review is conducted in accordance with HUD's guidance as outlined in the Universal Notice.

The basic framework for DOB review is as follows:

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

If the result of this is a positive number, the applicant has a duplication of benefit gap. Duplication of benefit must be deducted from the maximum award an applicant is qualified to receive under HRRP, in accordance with federal law. Because HRRP grants awards to eligible applicants in the form of home rehabilitation, or reconstruction, with no funds being paid directly to the applicant, duplication of benefits must be resolved prior to award, either through a reduction in the amount of benefit the homeowner will be provided by HRRP, known as a scope reduction, or by the applicant providing funds to HRRP in the amount of the DOB gap. Scope reduction and applicant payment may be used in combination to reduce the DOB gap to \$0.

6.3.1 Duplication of Benefits Gap

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

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

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

⁷ The DRV is further described in the Damage Assessment section of this program guideline.

6.3.1.1 *Scope Reduction for DOB Gap*

If the applicant qualifies for a rehabilitation award, and the DOB Gap is discovered, the applicant *must* provide funds in the amount of the DOB Gap to be deposited into a DOB Gap Funding Account prior to executing a Program grant agreement. The Program will not proceed with award or Program-funded construction activities until the DOB Gap is resolved. Given that rehabilitation will only bring the home back up to current code or Program standards, the scope reduction option to cover DOB Gaps cannot be offered on rehabilitation projects.

If the applicant qualifies for a reconstruction award, and a DOB Gap is discovered, the applicant shall either (1) provide funds in the amount of the DOB gap to be deposited into a DOB Gap Funding Account prior to award and commencement of Program-sponsored construction and/or (2) opt for a scope reduction to exclude non-essential appliances.

Homeowner-provided funds that are deposited into the DOB Gap Funding Account will count toward the HRRP award cap of \$175,000. All DOB Gap Funding will be drawn down first, prior to the use of Program funds.

Only homeowner applicants eligible for reconstruction may elect to take a scope reduction.

6.3.1.2 *DOB Gap Exceeds Estimated Cost of Repair (ECR)*

An applicant can meet the requirements for Program eligibility but not qualify for an award. If the previous benefits received by the applicant is greater than the estimated cost to complete the rehabilitation or reconstruction project, the applicant will be deemed not eligible for assistance.

6.4 Subrogation

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

7 Damage Assessment

As stated in Allocation Announcement Notice, CDBG-DR funds are intended to address unmet housing needs resulting from the qualifying disaster. Non-disaster-related damage may only be addressed on structures that also have disaster-related damage to ensure that in addition to storm damages, the home is restored to a decent, safe, and sanitary condition. Structures built before 1978 must be inspected for lead-based paint (LBP) hazards. Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from LBP.

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

- **Eligibility** – To be eligible for assistance, property must have remaining disaster-related damage and the structure must be an eligible structure type. The damage assessment confirms both of these items. If it is discovered during damage assessment that the home

does not have unrepaired storm damage or that the property is an ineligible structure type, the applicant will be deemed not eligible.

- **Award type** – the Estimated Cost of Repair (ECR) is compared against the pre-storm value of the structure to determine the award type. The ECR is also compared against the pre-storm value of the structure to determine whether the property is substantially damaged (SD) or would be substantially improved (SI) after receipt of Program assistance.
- **Duplication of Benefits** – During the damage assessment, the inspector creates a Damage Repair Valuation (DRV), which quantifies repairs made by the homeowner (if applicable). DRV amount will be considered during DOB review and may be used to offset DOB for eligible repairs.

Program staff will conduct site visits to observe and record the presence of unrepaired storm damage resulting from the Qualifying Disaster, determine the extent of the damage, and determine the ECR. The homeowner or the homeowner's designee should be present for these site visits. The inspector will inspect the interior and exterior of the home to observe and record damage. The inspector will complete an environmental questionnaire at the time of the damage assessment and will note any environmental concerns on the site or nearby that could affect the evaluation.

7.1 Valuation of Needed Repairs

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

The ECR does not provide an evaluation that takes into account an exact replacement of the homeowner's original home. In contrast to insurance estimates that may be based on replacement costs, the ECR evaluation is based on costs developed by the construction industry for those items, at standard builders' grade prices. The methodology used to prepare the ECR is to account for those scope items that can be counted, measured, or observed. Often, damage assessments are conducted while a household is living in the home. Damage assessors will not move or remove a household's personal effects to observe, measure, or quantify damages. No destructive testing is performed during the estimation process. This means that hidden damage is not accounted for during this process. For example, termite damage behind a wall would not be discoverable during the estimation process if the wall covering is intact.

Essential appliances damaged by the qualifying disaster, including stove/range, oven, dishwasher, refrigerator, and water heaters are eligible to be replaced under HRRP and will be considered during damage assessment. Appliances and housing components that are not integral to the structure of the home and are not essential to basic health and safety, such as washers, dryers, microwaves, stand-alone freezers, and detached garages and carports are not eligible to be replaced under HRRP and will not be considered during damage assessment. Luxury items and items with a quality grade above

basic standards, such as granite countertops, are not eligible to be replaced in a like-for-like manner and will not be valued as such. Standard builders' grade pricing will be applied to such items.

7.2 Valuation of Storm Damage Repaired prior to Application

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

The damage assessor will prepare a Damage Repair Valuation (DRV) to outline the value assigned to repairs completed by the applicant prior to Program application. Only completed repairs will be considered. Repairs completed by contractors will be valued including contractor labor and overhead/profit in addition to materials. Homeowners will not be credited for "sweat equity" associated with self-completed repairs. Repairs completed by volunteers or charitable organizations will not be credited. The DRV may be considered during duplication of benefits review, to offset DOB if appropriate.

7.3 Lead Based Paint Risk Assessment

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

If the unit to be assisted was built prior to 1978, and will be rehabilitated, the assisted unit will be tested for the presence of lead dust hazards. If present, the stabilization, encapsulation, or removal of lead-based paint will be considered in the cost of rehabilitation and included in the feasibility analysis for rehabilitation versus reconstruction. Projects that will be reconstructed will result in the demolition and removal of the structure, and therefore any potential lead hazards associated with the structure. As such, no lead-based paint testing will be conducted on reconstruction projects determined to be such at the time of the initial site inspection.

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

8 Environmental Review

Environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §4231 et seq., as well

as to the HUD environmental review regulations at 24 C.F.R. § 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.

HRRP conducts an environmental review on every project, prior to issuing a Program award to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users. Specifically, 24 C.F.R. § 58.22 limitations on activities pending clearance prohibits the commitment or expenditure of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environmental review. If any activity violates these restrictions, a **stop work notice** will be issued, halting all project activities until the environmental review is completed and compliance with HUD regulations is ensured. The compliance factors addressed in the environmental review include:

- Airport Hazards
- Coastal Barrier Resources Act/Coastal Barrier Improvement Act
- Flood Insurance
- Clean Air
- Coastal Zone Management
- Contamination and Toxic Substances
- Endangered Species
- Explosive and Flammable Hazards
- Farmland Protection
- Floodplain Management
- Historic Preservation
- Noise Abatement and Control
- Sole Source Aquifers
- Wetland Protection
- Wild & Scenic Rivers

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

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

8.1 Tiered Environmental Review

A tiered approach to environmental compliance will be implemented for HRRP. A tiered approach is appropriate when evaluating a collection of projects that would fund the same or very similar activities repeatedly within a defined local geographic area and timeframe but where the specific sites and activities are not yet known. The tiered approach has two (2) parts: the broad environmental review (the Tier I), and the subsequent site-specific review (the Tier II).

A Tier I review will be completed prior to the launch of HRRP. This broad-level review will identify and evaluate environmental issues that can be addressed at the program level, even with limited project-specific details related to the rehabilitation or reconstruction of single-family homes throughout the HUD-MID areas. It will also establish the standards, constraints, and procedures that will guide all site-specific reviews. Following this, a Tier II review will be conducted for each HRRP applicant after the award type is determined but before the award agreement is signed. The Tier II review will address any remaining environmental issues based on the policies established in the Tier I review. Together, the broad-level and site-specific reviews will form a complete environmental review that meets all HUD requirements. No funds may be spent or committed for any specific site or activity until both the Tier I and Tier II reviews have been completed for that site.

After the initial environmental review is completed, a re-evaluation may be required if the project scope changes significantly. This includes substantial changes in the nature, magnitude, or extent of the project, such as adding new activities that were not anticipated in the original review. A re-evaluation is also necessary if new circumstances or conditions are discovered after the review that could affect the original environmental determinations. The purpose of the re-evaluation is to determine the appropriate next steps and confirm whether the original findings and agency consultations remain valid. Examples of substantial changes include, but are not limited to, a change in project type, unexpected ground disturbance outside the reviewed project area, or activities that require additional agency consultation and approval.

9 Award

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

Upon accepting the award type, the following documents will be signed by the applicant(s) at the time of contract signing and execution of the HGA:

- Homeowner Grant Agreement;
- Agreement to maintain flood insurance and notify future owners (if in 100-year floodplain);
- Promissory Note;
- Homeowner Responsibilities Acknowledgment;
- Declaration of Covenants; and
- Any other documents applicable to the applicant and required by HRRP.

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

The applicant must sign the HGA or appeal the award determination within **thirty (30) days** of the award letter being sent or the case will be closed⁸.

Every executed HGA is subject to the continuing availability of CDBG-DR funds and all HRRP policies and procedures.

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

- Structure type (MHU vs. Stick Built)
- Estimated Cost to Repair
- Structure age (if MHU)
- Award Cap of \$175,000

Applicants may be awarded funding for rehabilitation or reconstruction. Program award will not be made until the DOB Gap, if applicable, has been reduced to \$0.00, either via a scope reduction or by the applicant placing funds in the DOB Gap account at MDA-CID, or a combination of the two.

9.1 Award Caps

The maximum award granted to rehabilitate or reconstruct any one structure is \$175,000. All costs associated with construction, elevation, reasonable accommodations, environmental mitigation/abatement, historic preservation, site specific costs, essential appliances, and code compliance/permitting are included in the award cap. MDA-CID may approve exceptions to the maximum assistance cap on a case-by-case basis when extraordinary circumstances make additional assistance necessary and reasonable. The justification, including analysis of need and cost reasonableness, will be documented in the applicant's file.

9.1.1 Historic Preservation

If reconstruction of a single-family property located in, or adjacent to, a historic district would result in an historic preservation adverse effect finding, then a reconstruction award will not be offered to the applicant⁹. In cases where rehabilitation of a property is feasible and rehabilitation of the property would not result in a historic adverse effect, HRRP may offer otherwise eligible applicants a rehabilitation award of up to \$175,000. If it is determined that the home cannot be rehabilitated and must be reconstructed, or if the rehabilitation will not alleviate the adverse effect, then the applicant will be deemed ineligible for HRRP assistance. Applicants whose storm-impacted properties may be reconstructed without creation of a historic preservation adverse effect may not elect to receive a rehabilitation award.

⁸ Exceptions may be made on a case-by-case basis for extenuating circumstances.

⁹ Adverse effect (as defined in Section 106 National Historic Preservation Act of 1966) is found when an undertaking may alter, directly or indirectly, any of the characteristics of a historic property that qualify the property for inclusion in the National Register of Historic Places (National Register) in a manner that would diminish the integrity of the property's location, design, setting, materials, workmanship, feeling, or association.

9.2 Reasonable Accommodation Requests

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

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

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

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

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

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

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

9.3 Rehabilitation

Eligible applicants with stick-built properties qualify for a rehabilitation award type when the estimated cost to repair is less than 50% of the pre-storm value of the structure or \$50,000, whichever is lesser, and the property is not otherwise deemed "not suitable for rehabilitation". Eligible applicants with mobile home properties qualify for a rehabilitation award type when the estimated cost to repair is

less than \$15,000 and the MHU is fewer than five (5) years old, and the property is not otherwise deemed not suitable for rehabilitation.

9.3.1 Not Suitable for Rehabilitation

HRRP defines “not suitable for rehabilitation” as:

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

Eligible applicants with homes deemed not suitable for rehabilitation may be offered reconstruction assistance, if the applicant owns the land on which the structure sits, and reconstruction is feasible. HRRP will not demolish any properties deemed not suitable for rehabilitation for applicants who do not accept reconstruction assistance.

9.3.2 Rehabilitation Scopes of Work

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

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

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

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

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

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

9.3.3 Reasonable Accommodations – Rehabilitation Award Type

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

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

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

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

9.3.3.1.1 Bathroom Reasonable Accommodation 1 (RA-1)

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

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

9.3.3.1.2 Bathroom Reasonable Accommodation 2 (RA-2)

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

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

9.3.3.1.3 Bathroom Reasonable Accommodation 3 (RA-3)

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

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

9.3.3.1.4 Kitchen Reasonable Accommodations

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

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

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

9.4 Reconstruction

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

Mobile Home Units (MHUs) that were damaged or destroyed as a result of the qualifying disaster shall not be replaced with another MHU under this Program. In accordance with the Program's long-term housing recovery objectives, eligible applicants whose primary residence prior to the disaster was an MHU, those applicants will be provided assistance for the construction of a permanent, site-built ("stick-built") housing unit. It should be noted that the cost of maintaining a stick-built home is likely higher than that of an MHU. This should be considered by the applicant when evaluating the award.

Eligible applicants with MHUs qualify for a reconstruction award type when the estimated cost to repair is greater than or equal to \$15,000 or the MHU is older than 5 years. MHU applicants must either own the land on which the MHU sits or be able to provide alternate site. An alternate site is a substitute property or parcel, identified and provided by the applicant, that serves as the location for reconstruction when the original MHU site is unavailable, or unsuitable for development. The Alternate

Site must meet all applicable Program eligibility standards including zoning, environmental, and FFRMS floodplain requirements. The program will not provide funding for the acquisition, preparation, or development of an Alternate Site. If the applicant cannot provide an alternate site or obtain ownership of the land on which the MHU currently sits, then the applicant will be deemed ineligible.

9.4.1 Size and New Unit Configuration

HRRP will provide applicants who qualify for reconstruction awards with standard Program floorplan homes. HRRP offers 2- and 3-bedroom homes; all standard floorplans include 1 bathroom. Which standard floorplan the applicant receives is based on the household size.

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

Bedroom/Bathroom Configuration	Square Footage
2 bedroom / 1 bathroom	750 – 850 SF
3 bedroom / 1 bathroom	850 – 950 SF

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

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

- Interior or exterior finishes;
- Square footage;
- Number of bedrooms;
- Number of bathrooms;
- Extra/Bonus rooms such as dens, playrooms, offices, studies, libraries, etc.

9.4.2 Reasonable Accommodations – Reconstruction Award Type

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

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

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

9.4.2.1 Reasonable Accommodations – Bathroom

Applicants who request accommodations in a bathroom may select one (1) of three (3) standard available options.

9.4.2.1.1 Bathroom Reasonable Accommodation 1 (RA-1)

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

- Tub length of 60” and tub width of 36” in bath., with no seat. Grab bars installed near the tub/shower enclosure.
- Chair height toilet with grab bars

9.4.2.1.2 Bathroom Reasonable Accommodation 2 (RA-2)

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

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

9.4.2.1.3 Bathroom Reasonable Accommodation 3 (RA-3)

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

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

9.4.2.2 Reasonable Accommodations – Kitchen

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

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

10 Pre-Construction

After the HGA is executed, the case enters the “pre-construction” phase. During the pre-construction phase of the Program, several key activities take place which prepare the project for the start of physical construction. Key activities which take place during the pre-construction phase of the Program include, but are not limited to:

- **General Contractor Assignment:** HRRP assigns a Program-qualified General Contractor (GC) to complete the construction project;
- **Survey and Design:** The assigned GC will arrange for a property survey and engineering design for the project, as applicable;
- **Cost Estimate:** The assigned GC will visit the project site to finalize a cost estimate;

- **Pre-Construction Meeting:** The Program will host a meeting with the applicant to review key items as related to construction;
- **Permitting:** The assigned GC will obtain all permits required to complete the assigned construction scope of work; and
- **Homeowner Moveout and Utility Disconnection (if applicable):** Homeowners must temporarily move out of the storm damaged property for construction to take place. If applicable, homeowners must also arrange for utilities at the property to be disconnected.

10.1 Contractor Selection and Assignment

The Program relies on a pool of qualified GCs to perform repair or reconstruction work. GCs will be assigned to complete construction work for eligible and awarded applicants. GCs will be assigned by the Program to each project after the Homeowner Grant Agreement has been executed. Applicants are not permitted to select or manage their own GC.

The Program will assign projects to GCs based on the GC's performance history on Program construction projects and the GC's capacity to take on additional jobs at the time the project is ready for assignment.

Performance metrics will be tracked on each property assigned to and completed by a GC. GC performance metrics for speed of preconstruction and construction activities, quality of construction, customer service, and GC capacity for additional work will be maintained. The GCs will be compared against other Program assigned GCs and program performance standards. To expedite recovery, higher performing GCs will receive more Program assignments than lower performers.

10.2 Survey and Design

The assigned GC is responsible for completing property boundary surveys and engineering design, as applicable. Most reconstruction project types will require property boundary surveys to determine placement of the new home on the property within municipal set back boundaries. Rehabilitation projects are not likely to require boundary surveys or engineering work, however, each will be evaluated on a case-by-case basis. The GCs will be responsible for ensuring all local requirements are satisfied during their construction activities.

10.3 Cost Estimate

The Program developed construction standards are incorporated into the pricing for each of the two (2) award types offered by HRRP. All costs incurred by HRRP must follow the Cost Principles outlined at 2 C.F.R. Part 200, Subpart E. When a contractor is selected, HRRP provides the contractor with a preliminary scope of work.

- For rehabilitation award types, the Program preliminary scope of work is the Estimated Cost to Repair document, which relies on Xactimate pricing and is prepared during the damage assessment phase.
- For reconstruction award types, the Program preliminary scope of work includes the number of bedrooms which must be included in the replacement home, and any handicap accessibility modifications to be included.

The GC will visit each subject property to evaluate site-specific conditions that must be factored into the cost estimate and to finalize the scope of work. The applicant or his/her designee are required to

attend the site visit conducted by the GC. Upon completion of the site visit and incorporation of any site-specific line items to the scope of work, the GC must submit the scope of work to the Program for review and approval. The Program must approve each scope of work before the GC may begin construction activities. Once approved, the scope of work may only be modified via a duly authorized change order.

Additional assessments for rehabilitation award types may increase the Cost Estimate causing the award type to change to a reconstruction. In this instance, the application would need to undergo another environmental review for the reconstruction award type.

10.4 Pre-Construction Meeting

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

- **Homeowner Moveout and Utility Disconnection:** The GC and Homeowner will agree upon a date by which the homeowner must vacate the storm-damaged property and have all utilities disconnected.
- **Site Conditions:** Project sites must be cleared of excessive debris and personal property. During the pre-construction meeting, the applicant will be informed of actions he/she must take to ready the site for construction. **If the site includes excessive debris or personal property, the applicant must clear the site within thirty (30) days of the pre-construction meeting.** The applicant will also be informed which, if any, outbuildings, landscaping, ancillary structures must be removed. Similarly, if the applicant wishes to preserve any of the items slated for removal/demolition, the applicant must remove the items from the property within **thirty (30) days** of the pre-construction meeting. **Outbuildings, landscaping, and structures other than the storm damaged home which remain on the property thirty (30) days after pre-construction meeting may be demolished and HRRP will not replace them.**
- **Scope of Work:** The GC will present the applicant with a copy of the Program approved scope of work. If the project is a MHU reconstruction, the scope of work shall include a copy of the floorplan being offered.
- **Reasonable Accommodations:** The GC will confirm any reasonable accommodations included in the approved scope of work with the applicant.

10.5 Permitting and Code Compliance

GCs are required to complete all HRRP-sponsored construction activities in accordance with all federal, state, and local building codes and requirements. In the absence of locally adopted building codes that are more restrictive than the State Building Code, the requirements of the State Building Code will apply. GCs are responsible for determining which permits are required and for acquiring all permits required to complete the HRRP-approved scope of work from the authority having jurisdiction for code compliance in the location of the construction project. Permits required for each project vary by location and scope of work, but may include permits for items such:

- Demolition

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

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

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

11 Construction

11.1 Construction Standards

HRRP will abide by the procurement process mandated by federal and state government codes as they are applicable to the Program. Construction contractors will be qualified through an open procurement process. Selected contractors will ensure to the greatest extent feasible that employment and other economic opportunities are directed to low and very low-income people, particularly local residents and businesses that meet the qualifications of the project. Contractors' procedures will be monitored by HRRP.

HRRP will implement construction methods that emphasize high quality, durability, and sustainability. All rehabilitation and reconstruction will be designed to incorporate principles of sustainability, including resilience and mitigation against the impact of future disasters. HRRP will implement and monitor construction results to ensure the safety of residents and the quality of homes assisted through the Program. All housing units repaired or reconstructed must comply with Program standards and must meet all applicable local and state codes, repair standards, ordinances, and zoning ordinances at the time of project completion.

11.2 Elevation Standards

The Program will follow HUD guidance to ensure all structures, as defined in 44 CFR 59.1, designed principally for residential use, and located in the Federal Flood Risk Management Standard (FFRMS) floodplain, that receive assistance for new construction, rehabilitation of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), will be elevated with the lowest floor, including the basement, at least two (2) feet above the Base Flood Elevation (BFE). The Program will order elevation certificates for construction projects where necessary to comply with HUD's guidance. The Program will not engage in elevation activities as a standalone measure.

11.3 Eligible Construction Activities

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

Program scopes of work may include:

- **Rehabilitation work:** Rehabilitation work includes items required to complete repair or renovation of a portion of a home. Rehabilitation work is intended to repair storm damage and bring the items repaired into compliance with local building codes and must comply with the current HUD Housing Quality Standards (HQS) including compliance with Section 31 of the Federal Fire Prevention Control Act of 1974.
- **Reconstruction:** Reconstruction consists of the demolition, removal, and disposal of the storm damaged structure, followed by construction of a new home in substantially the same footprint as the storm-damaged home. Reconstruction work will be conducted in accordance with state and local building codes and all applicable federal standards. Reconstructed homes are only offered in standard floorplans. No custom designed homes are authorized.
- **Elevation:** If reconstruction requires elevation, it will be conducted by means of pier and beam foundations, piling foundations, or fill dirt, if permissible within zoning regulations, and will be determined by the architect/engineer of record.
- **Site work:** Site work includes site-specific construction activities necessary to complete the project that are not related to the structure itself. Site work includes activities such as: flatwork, grading, septic tank repair/replacement, well repair/replacement, installation of sod, tree trimming or tree removal, etc.
- **Environmental Abatement:** Environmental abatement activities are those environmental activities identified by HRRP or the GC that must be addressed in order to comply with the current HUD Housing Quality Standards (HQS) and deliver a decent, safe, and sanitary home. Environmental abatement activities may include items such as, but not limited to, lead based paint removal or mitigation or asbestos abatement. Costs of environmental clearance inspections are also allowable.
- **Historic Preservation:** Section 106 of the National Historic Preservation Act of 1966 (Public Law 89-665), as amended in 2000, requires Architectural History compliance imposed by the Compliance and Review Section of the Bureau of Historic Preservation, as needed. If the State Historic Preservation Office (SHPO) or other authority having jurisdiction requires specific construction or design measures to prevent an adverse effect to a historic or cultural resource, such activities may be included in the Program scope of work if determined to be feasible and in alignment with Program cost reasonableness principles.
- **Reasonable Accommodations:** Scopes of work for applicants with duly approved reasonable accommodation requests will include items associated with the approved reasonable accommodation(s). Reasonable accommodations may include items such as widened doorways, ramps, grab bars, etc. To be included in a Program scope of work, the applicant

must have presented adequate documentation of a disability for him/herself or a household member, and the reasonable accommodations request form must be approved prior to construction start.

- **Essential Appliances:** Essential appliances, which include stove/range, oven, water heater, dishwasher, and refrigerator are included in Program scope of work for all reconstruction award types. Scopes of work for repair award types will include replacement of essential appliances, only if the essential appliances are damaged, in non-working order, or non-existent at the time of damage assessment¹⁰. Appliances provided will be of standard, economy grade and energy efficient. Luxury appliances will not be provided.
- **Smoke and Carbon Monoxide Detectors:** All assisted homes will be equipped with smoke and carbon monoxide detectors, in accordance with local code requirements.
- **Mitigation Measures:** Measures to make homes more resilient in the face of future disasters such roof strapping or impact resistant glass, may be included in Program scopes of work. See subsection below for more information.

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

HRRP does not offer like-for-like replacement of anything. All construction work completed by the Program will be completed using standard, builders' grade materials, regardless what building materials were used prior to Program initiated construction. Applicant-requested upgrades, additions, or modifications to construction scopes of work will not be considered. Applicants may not pay out of pocket for upgrades, additions, or modifications concurrent with Program sponsored construction.

11.3.1 Mitigation Measures

Hazard mitigation measures will be incorporated into construction activities where determined to be necessary and cost reasonable, in accordance with applicable HUD guidance and local code requirements and Program goals for increased resilience against tornadoes, hurricanes, and flooding events. For relocation activities, replacement housing units must be sited outside the FFRMS floodplain.

Examples of mitigation measures include elevation above the base flood elevation level or the addition of storm shutters, disaster-proof windows, or roof straps, if those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the disaster damage. However, mitigation measures are not eligible as standalone activities; they must be incorporated as part of a project that is otherwise addressing eligible repairs necessary as a result of the Qualifying Disasters.

¹⁰ Dishwashers will only be replaced in rehabilitation award projects if the storm-damaged home contained a dishwasher that is damaged. Dishwashers will not be added in rehabilitation projects where the storm-damaged home did not have a dishwasher.

11.3.1.1 Lead-based Paint Disturbance and Mitigation

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

- All sites are clean and protective covering is placed where required by applicable regulations during the renovation, especially when paint-disturbing activities are taking place.
- All workers on-site are to have proper certifications with them while on site.
- The Lead Renovator's certificate is required on-site at all times from the start of the renovation until the final lead clearance has been achieved.
- Ensure proper techniques are being used when performing paint disturbing activities.
- At a minimum, the following two items are required to be posted at all times to be seen clearly by anyone approaching the site and all workers until final lead clearance is achieved:
- Environmental Protection Agency (EPA) RRP required warning signage in English and Spanish:



Figure 1: Example Signage

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



Figure 2: Example Signage

If site conditions are noncompliant, a stop work order will be issued until all problems are resolved and verified by Program staff. The time the project is on hold will be included when calculating construction duration and is considered the fault of the contractor and subject to performance

penalties. Any issuance of a stop work order will also be taken into consideration when determining future assignments and participation in future projects.

11.3.2 Reassessment of Unmet Need

To the extent that damages resulting from a Qualifying Disaster are exacerbated by circumstances beyond the applicant's control before the rehabilitation or reconstruction of the disaster-damaged structure is completed, HRRP may fund the rehabilitation or reconstruction of the damaged home.

As recovery from disasters is a long-term process and applicant damages are calculated at a point in time, a subsequent change in an applicant's circumstances can affect the value of unmet needs to an applicant's property. Examples may include: a subsequent disaster that causes further damage to a partially rehabilitated home; an increase in the cost of construction materials; vandalism; contractor fraud; or theft of materials.

For example, if an applicant's home was damaged by a qualifying event and a subsequent flood or other unforeseen event exacerbates the original damage before repairs could be completed, HRRP may complete the rehabilitation or reconstruction and address the unmet repair need as it currently exists.

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

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

11.4 Construction Progress Inspections

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

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

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

GCs may submit an invoice after the 50% inspection if the inspection passes, followed by a final invoice after a successful final inspection. Alternatively, they may submit one invoice after final inspection.

11.4.1 Rehabilitation Award Type Inspections

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

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

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

- Certificate(s) of Completion (or equivalent), issued by an authority having jurisdiction on site for all permits issued for the project;
- All site work complete;
- Photos of any work complete and enclosed at the time of final inspection. Work complete and enclosed at final inspection may include, but is not limited to:
 - Use of green rock in wet areas that has been painted over,
 - Installation of insulation in exterior walls that have sheet rock installed,
 - Installation of new subfloor,
 - Installation of new radiant barrier sheathing if conducting roof replacement,
 - Completion of anti-microbial spray, or
 - Installation of replaced plumbing supply/waste lines or valves located within walls.
- All construction work included in the approved cost estimate and any duly authorized change order is complete and of sufficient quality;
- All utilities are reconnected and functional;
- All essential appliances are properly installed and functioning as intended;
- If the Program-assisted structure is in the 100-year floodplain according to HUD's Floodplain Management requirements found at 24 CFR Part 55, a final elevation certificate showing the lowest finished floor is 2 or more feet above the Base Flood Elevation (BFE);
- Warranty issued for one (1) year and warranty booklet present in the home; and
- If the home was built prior to 1978, a lead-based paint clearance report is present.

11.4.2 Reconstruction Award Type Inspections

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

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

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

- Certificate of Occupancy on site;
- All site work complete, including final grading, flatwork, and sod installation;
- All construction complete and of good quality in accordance with -approved floorplan, scope of work, and any duly authorized change orders
- Address numbers are installed on the front of the home;
- All utilities reconnected and functioning;
- All appliances properly installed and functioning as intended;
- If the Program-assisted structure is in the 100-year floodplain according to HUD's Floodplain Management requirements found at 24 CFR Part 55, a final elevation certificate showing the lowest finished floor is 2 or more feet above the Base Flood Elevation (BFE); and
- Warranty issued for one (1) year and warranty booklet present in the home.

11.5 Change Orders

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

With exception of items which pose an immediate health or safety risk, GCs must seek change order approval prior to commencing work not included in the approved scope of work. GC requests for change order after the project passes a final Program inspection will not be considered. Upon request of the final construction inspection, the contractor acknowledges that no outstanding or unapproved change order work exists, and the final payment satisfies all claims for the entire application.

Change orders are to be submitted to the Program staff for review and approval. Any change orders increasing the cost by more than 10% will undergo a secondary review for final approval.

11.6 Construction Warranty

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

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

11.7 Re-Inspections

Should the HRRP observe any fault(s) during the progress and/or Final Inspections, the construction contractor will be informed of the fault(s) and be provided with a written report of the findings. When the construction contractor has remedied the fault(s), the construction contractor may request a re-inspection to be performed. For each re-inspection required after the Final Inspection, a re-inspection fee, in an amount not to exceed \$1000 per re-inspection, will be assessed and will be the responsibility of the construction contractor. The re-inspection fee must be deducted from the contractor's final invoice.

12 Applicant Responsibilities

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

12.1 Flood Insurance

Section 582 of the National Flood Insurance Reform Act of 1994, (42 U.S.C. 5154a), as amended, establishes a prohibition on providing Federal disaster assistance in certain circumstances. In general, it provides no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for rehabilitation or reconstruction for damage to any personal, residential, or commercial property if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently having failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that MDA-CID may not provide disaster assistance for the rehabilitation or reconstruction to a person who has failed to meet these requirements.

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

of such property. A Covenant Agreement shall be executed with MDA-CID enforcing this requirement prior to receiving disaster assistance.

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

Applicants with HRRP assisted properties located within a Special Flood Hazard Area (100-year floodplain) must submit proof of flood insurance prior to receiving keys to the assisted property. HRRP may purchase flood insurance coverage for one year following provision of Program assistance.

12.2 Applicant Cooperation with the Program

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

HRRP will send applicants with outstanding requests from the Program a Pending Action Notice to inform the applicant of the outstanding request(s). The Pending Action Notice informs the applicant that the Program requires action from the applicant in order to proceed and that if the applicant does not complete the required action within **thirty (30) days**, the applicant will be sent a Non-responsive Notice pursuant to section 12.3. Common outstanding requests include, but are not limited to:

- **Documentation:** The Program requires documentation from the applicant for multiple reasons and at multiple phases throughout the Program. Not all requests for documentation are for documents an applicant must produce. Some documentation requests may be related to documents generated by the Program that the applicant must sign. Applicants must submit and/or sign requested documents in a timely manner.
- **Schedule:** The Program requires applicant cooperation and participation at multiple points throughout the process. Applicants must schedule and attend required appointments, inspections, or other required meetings in a timely manner. HRRP will make reasonable attempts to coordinate schedules with homeowner availability. Applicants who refuse to schedule or attend required meetings or inspections may be sent a Pending Action Notice.
- **Homeowner Moveout:** Applicants are required to move out of the storm-damaged property within **thirty (30) days** of the pre-construction meeting so that construction may begin. Applicants who do not move out of the storm damaged property in a timely manner will be sent a Pending Action Notice.
- **Site Clearance:** Applicants are required to clear the construction project site of excess debris and/or personal property within thirty (30) days of the pre-construction meeting. Applicants who do not clear the storm damaged property site of debris and/or personal property in a timely manner will be sent a Pending Action Notice.

Applicants who do not take the required action(s) within **thirty (30) days** of the Pending Action Notice will be sent a Non-Responsive Notice. Applicants who require assistance, clarification, or an extension

to the **thirty (30) day** timeframe to resolve a pending action must request assistance within the **thirty (30) day** window. Extensions to the **thirty (30) day** window will be considered on a case-by-case basis.

12.3 Applicant Responsiveness

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

12.4 Minimizing Displacement

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

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

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

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

However, lawful tenants of Program-assisted properties who must relocate due to Program-sponsored construction activities may be considered displaced persons by URA regulations and may be eligible for URA relocation assistance benefits. Although tenant displacement under HRRP is expected to be rare, the Program will comply with MDA-CID's Residential Anti-Displacement and Relocation Assistance Plan (RARAP), if displacement or conversion occurs.

URA guidelines as related to HRRP are included in Section 14 of the MDA-CID Policy Manual.

12.5 Applicant Responsibilities During Construction

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

- (i) Applicants must vacate the storm-damaged property and remove all personal belongings from inside the structure and the surrounding area. Costs associated with removal of belongings, storage of belongings, and temporary accommodations will not be borne by HRRP. HRRP is not responsible for any damages to or loss of belongings during construction.
- (ii) Applicants must coordinate with assigned GC to sign any required permitting documents.
- (iii) Applicants must allow the GC and HRRP representatives full access to the property. If reasonable and timely access to the property is denied by the applicant, HRRP may terminate the award, and the applicant may be subject to repay any Program funds expended on the project.
- (iv) Applicants must allow inspections to be performed by HRRP representatives and municipal code inspectors. If reasonable and timely access to the property is denied by the applicant, HRRP may terminate the award, and the applicant may be subject to repay any Program funds expended on the project. All inspections and approvals will be performed by HRRP representatives.
- (v) Applicants must remove and/or secure any animals or pets that remain on property during construction. Animals will only be allowed to remain on property during construction if the GC confirms there is sufficient space and sufficient enclosure for the animals to remain on site without interfering with construction work. If there is not enough space or if animal enclosures are not sufficient, animals must be removed from the property. HRRP will not cover costs associated with removal and/or boarding of animals during construction.
- (vi) Applicants must not interfere with the project site. For safety reasons, homeowners and other household members must stay away from the storm-damaged property during construction.
- (vii) All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The homeowners must remove derelict personal property. The homeowner has **thirty (30) days** from the date of the pre-construction meeting to remove all such debris and derelict property from the construction site. Failure to remove such property may result in the application being closed.
- (viii) If utilities must be disconnected for construction work, applicants must arrange for utilities to be disconnected within **thirty (30) days** of the pre-construction meeting. Applicants must remain current on all utility bills during construction, as accounts must be current in most cases for the utility company to reconnect/reinstate services.
- (ix) If the applicant identifies any potentially fraudulent activity during the construction process, they must notify the Program Manager within 48 hours so that the Program can

take appropriate action. MDA-CID will provide a response regarding the report within 15 days and may notify HUD if there is a basis to do so.

- (x) Applicants must acknowledge their understanding that once the Program is complete with construction efforts, the appraised value of their home may increase. As a result, the property taxes owed by the applicant for the property may increase as a result of Program participation. MHU applicants must acknowledge their understanding that if they receive a stick-built home, the cost of maintaining the home will likely be higher than that of an MHU.

12.6 Recapture

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

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

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

13 Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before construction start. Voluntary withdrawal after execution of an HGA is discouraged as construction activities may have begun. Any request to withdraw after an HGA has been signed will be evaluated on a case-by-case basis.

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

14 Fraud, Waste and Abuse

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

Pursuant to the Universal Notice, MDA-CID implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all Programs administered with CDBG-DR funds. These measures include providing informative material, including, but not limited to, brochures, flyers, posters and/or electronic content. These materials will help people identify fraudulent activities or schemes and explain specifically how to report them. This Policy will be provided to all CDBG-DR employees, partners, subrecipients, beneficiaries, applicants, contractors, and/or vendors, as well as being posted on MDA-CID's website. Anti-fraud posters will be displayed prominently in CDBG-DR project offices, government buildings (including all state agencies involved in the Program and those within affected communities), non-profit and advocacy offices, and other buildings within the affected community. Outreach will also be conducted to the local media outlets within the benefiting communities affected by the disaster. MDA-CID will partner with OSA to develop effective and informative material in this regard.

Additionally, MDA-CID encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the MDA-CID Monitoring Department, the Office of the State Auditor, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

In addition to these Program-specific requirements, applicants and participants are subject to Federal statutes regarding false claims and statements.

Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.

14.1 Reporting Fraud

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the MDA-CID Monitoring Department, the Office of the State Auditor, directly to the Office of the Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

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

REPORT TO MDA-CID	
Postal Mail	Director of Monitoring MDA-CID Disaster Recovery Attn: AFWA Post Office Box 849 Jackson, MS 39205
Email	cidprocessing@mississippi.org

REPORT TO OFFICE OF STATE AUDITOR	
OSA Hotline	1-800-321-1275
Postal Mail	Office of State Auditor Attn: Investigative Division 501 N. West Street, Suite 801 Woolfolk Bldg. Jackson, MS 39201
Internet Website	www.osa.state.ms.us

REPORT TO HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 1-787-766-5868 (Spanish)
Postal Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	HOTLINE@hudig.gov

It is possible that a citizen may disclose acts of fraud, waste, or abuse of CDBG-DR funds to any MDA-CID staff. When such an occurrence takes place, the MDA-CID employee should immediately record, either orally or in writing, all information given to him or her. The employee will treat all such information as extremely confidential and only share the information with the MDA-CID Director of Monitoring. MDA-CID's ultimate goal is to ensure that no such information disclosed to any employee will be rejected or lost.

While reporting acts of fraud, waste, or abuse, the complainant may choose to remain anonymous or request that their contact information remain confidential. However, the complainant should be able to provide the following basic information, to the extent known, regarding the incident:

<i>Who was involved?</i>	Name(s) and phone(s) number(s), if available
<i>What happened?</i>	Summary of events, additional sources of evidence; loss to the CDBG-DR Program
<i>When did it happen?</i>	Date or range of dates, time and frequency
<i>Where did it happen?</i>	Location; city & state
<i>Why?</i>	Gain to the person who allegedly committed the fraud, waste, abuse, or mismanagement
<i>How did it happen?</i>	Narrative of complainant's description of incident or scheme

Incomplete or vague information can result in the inability to investigate the allegations reported. Although proof of improper activity is not required at the time the incident is reported, anyone reporting fraud, waste, abuse, or mismanagement must have reasonable grounds for doing so.

MDA-CID's Director of Monitoring will refer reported instances of fraud to OSA and/or HUD's OIG Fraud Hotline (via phone 1-800-347-3735 or via email at hotline@hudoig.gov) if there is a basis for doing so.

14.2 Effect of Fraud on Beneficiary

HUD has determined that documented instances of fraud on unsuspecting beneficiaries creates an unmet need which may be addressed by CDBG-DR Programs, and such additional assistance does not constitute a prohibited DOB. To be considered for additional assistance, a beneficiary will have to show the following elements:

- Fraud was committed by a third party resulting in some deficiency in funding or resources;
- Fraud was reported to some official governmental entity;
- Fraud occurred beyond the control of the beneficiary; and
- The original disaster recovery need was not fully met or was exacerbated by fraud.

Additional documentation, materials, and analysis may be necessary to determine if an unmet need remains and the extent of this need. In the event that the beneficiary meets the criteria set forth above, their unmet needs analysis will be reevaluated in accordance with the DOB Policy. In the event that the unmet need has increased, MDA-CID will provide additional assistance in the amount of the contractor fraud identified provided that such funding is available.

15 Complaints

Applicants may submit a complaint to the Program at any time. In accordance with guidance outlined in the Universal Notice, HRRP will provide a timely written response to every written citizen complaint.

Complaints will be addressed within **fifteen (15) working days** of receipt when practicable. If a complaint cannot be addressed **within fifteen (15) working days**, HRRP will notify the complainant of the need for additional time and an estimated resolution/response timeframe.

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

- Via email: info@MSHousingRecovery.com
- Via mail:

Director of Monitoring
MDA-CID Disaster Recovery
ATTN: Complaints
Post Office Box 849
Jackson, Mississippi 39205

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

- Via telephone: 866-981-7727
- In person at one of the intake centers

MDA-CID's Director of Monitoring will refer complaints regarding potential fraud to the Office of State Auditor and/or HUD OIG Fraud Hotline (via phone: 1-800-347-3735 or email: hotline@hudoig.gov) if there is a basis for doing so.

16 Appeals

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

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

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

- Via the website at www.mshousingrecovery.com
- Via Email: info@mshousingrecovery.com
- In Writing:

HRRP Appeals
MDA-CID Disaster Recovery
Post Office Box 849
Jackson, Mississippi 39205

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

If the applicant believes that the Initial Appeal determination was made in error, the applicant may request a Secondary Appeal directly by submitting a request and any additional documentation to the MDA-CID Appeals Coordinator within **fifteen (15) calendar days** of the date of the Initial Appeal Determination Notification. A written determination of the secondary review will be made and issued within ten (10) business days unless notified otherwise. Applicants will be notified in writing of the determination made via a Secondary Appeal Determination Notification.

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

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

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

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

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

17 Exceptions to Program Policies

The HRRP Guidelines set forth the policy governing the Program and approved HRRP Standard Operating Procedures (SOP) set forth the procedures by which policy will be enacted. The Guidelines and the SOPs are intended to guide Program activities and enforce compliance with applicable federal regulations. While Program Guidelines and SOPs govern the Program, neither should be considered

exhaustive instructions for every potential scenario that may be encountered by the Program. At times, exception to Program policies and/or procedures may be warranted. All exception requests are reviewed and adjudicated on a case-by-case basis as need arises, at the sole discretion of MDA-CID. Exceptions may be granted to Program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

18 MDA-CID Administrative Policies

As a recipient of CDBG-DR funds, there are several policies, procedures, and regulations which apply to all Programs, projects, and initiatives undertaken as part of MDA-CID's CDBG-DR grant. These policies and procedures are outlined in the MDA-CID Disaster Recovery Policy Manual. This Manual covers topics such as financial management, fair housing, conflicts of interest, recordkeeping, and others. The requirements described in the MDA-CID Disaster Recovery Policy Manual apply to all Programs outlined in the State of Mississippi Action Plan for Disaster Recovery and any amendments thereto, including HRRP which will be posted on the MDA disaster recovery website.

19 Program Income

Program Income is defined as gross income received by the grantee or subrecipients that is directly generated from the use of CDBG-DR funds that totals more than \$35,000 over the life of the grant. MDA-CID will track, report, and use Program Income in compliance with HUD regulations to ensure that all funds are used for eligible activities that support disaster recovery.

19.1 Sources of Program Income

Program Income may be generated through a variety of sources, including but not limited to:

- Repayments of assistance due to noncompliance with Program requirements (e.g., sale of property during the affordability period)
- Recapture of funds due to fraud, ineligibility, or overpayment
- Interest earned on Program funds held in revolving loan or escrow accounts (if applicable)

All sources of Program Income will be documented and reported in the DRGR system.

19.2 Use of Program Income

Program Income will be used before drawing additional CDBG-DR funds from the grant allocation. Program Income may be used to fund additional single-family rehabilitation or reconstruction projects, support administrative costs (if allowable), or expand Program capacity.

19.3 Tracking and Reporting

MDA-CID will maintain a system for tracking the receipt, use, and balance of Program Income. This includes:

- Assigning Program Income to the appropriate activity in DRGR;
- Maintaining supporting documentation for all Program Income transactions;
- Ensuring that Program Income is used in a timely and compliant manner; and
- Including Program Income in financial reports and audits.

19.4 Closeout Considerations

Program Income received after grant closeout must be returned to HUD or used in accordance with post-closeout agreements, as specified in HUD guidance. MDA-CID will ensure that any residual Program Income is managed in compliance with applicable federal requirements.

20 Closeout

Applications will be closed upon completion of construction work and upon returning the keys to the Program-assisted property to the homeowner.

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

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

20.1 Record Retention

In accordance with Section III.C.6 of the Universal Notice, MDA-CID will retain all Program records for a minimum of four (4) years after grant closeout.¹¹ These records will be accessible for review by HUD, the Office of Inspector General, or other oversight entities as applicable.

MDA-CID will ensure the following responsibilities are maintained after grant closeout:

- Continued tracking and use of Program Income, as outlined in Section III.B.12.e of the Universal Notice;
- Responding to any post-closeout audits or monitoring reviews;
- Ensuring that affordability periods (as applicable) are monitored and enforced; and
- Maintaining public access to key Program documents, such as the Action Plan and performance reports.

MDA-CID will maintain a system of records to ensure that all post-closeout obligations are fulfilled and that the Program remains in compliance with federal requirements.

[END PROGRAM GUIDELINES]

¹¹ 24 CFR 570.502(a)(7)

Appendix A – Definitions

500-year floodplain: The area subject to inundation from a flood with a 0.2% or greater chance of being equaled or exceeded in any given year.

MDA-CID: Mississippi Development Authority; the grantee and administering entity for CDBG-DR funds allocated to the State of Mississippi for recovery from the 2023/2024 disaster events.

Area Median Income (AMI): The median (middle point) household income for an area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development (HUD).

Applicant: An individual who applies to HRRP for assistance with his/her primary residence.

Base Flood Elevation (BFE): Base Flood Elevation as determined by the Federal Emergency Management Agency (FEMA), is the elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year. It is used to determine flood insurance premiums, and, in some cases, elevation requirements. HUD's Floodplain Management requirements found at 24 CFR Part 55 sets the minimum elevation requirements for properties that will be assisted with CDBG-DR funding, and which require elevation. HUD has determined that structures designed principally for residential use and located in the Federal Flood Risk Management Standard (FFRMS) floodplain that receive assistance for new construction repair of substantial damage or substantial improvement must be elevated with the lowest floor, including the basement, at least two feet above the BFE.

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

Damage Assessment: The initial Program inspection of a structure damaged by 2023-2024 disaster events in which all damage repaired at the time, and damage still to be repaired are officially documented in an estimating software that allows for standard market pricing and local sales taxes to be applied to Program eligible materials and labor in a consistent report format. The damage assessment reports will contain a detailed sketch of the structure along with exterior and interior photos.

Damage Repair Valuation (DRV): The Damage Repair Valuation, or DRV, will represent the Xactimate determined value of the repairs completed by the homeowner, or those caused to be repaired by the homeowner, prior to the Program application submittal for HRRP.

Displaced Person: Any person who moves from real property, or moves personal property from real property, as a direct result of property acquisition, rehabilitation, or demolition for a federally funded project – **excluding** voluntary or temporary relocations.

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

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

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws. For HUD purposes, applicable requirements are found at 24 CFR 58.

Estimated Cost to Repair (ECR): An ECR is used to verify damage to the property and determine the estimated scope of work to complete the repairs to the property and bring the property up to Program standards.

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

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

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

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

HUD: United States Department of Housing and Urban Development.

Low- to Moderate-Income (LMI) National Objective: Activities that benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance.

Mobile/Manufactured Housing Unit (MHU): A structure, transportable in one or more sections which, in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein. Sometimes referred to as mobile homes.

Most Impacted and Distressed (MID) Areas: Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage.

Program Income: Gross income generated from the use of CDBG-DR funds and received by state or local government grantees. This can include proceeds from the sale or lease of property improved with CDBG-DR funds, payments of principal and interest on loans made with CDBG-DR funds, interest

earned on revolving loan accounts, and other income directly resulting from activities financed with CDBG-DR funds.

Qualifying Disaster: The specific disaster events as recognized by FEMA that affected Mississippi. The disaster events are as follows: March 24-25, 2023, affecting Monroe County (Zip Code 38821), Sharkey County, Humphreys County (Zip Code 39166); June 14-19, 2023, affecting Jackson County (Zip Code 39563); March 8-11, 2024, affecting Hinds County, Humphreys County (Zip Code 39038 and 39166), and Scott County.

Second Home: Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for assistance through HRRP. A second home is defined as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance. Additionally, seasonal, short-term and vacation rental properties are not eligible for assistance.

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

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