



**NC DEPARTMENT  
of COMMERCE**  
COMMUNITY REVITALIZATION



**RenewNC**  
HOUSING

NORTH CAROLINA DEPARTMENT OF COMMERCE  
DIVISION OF COMMUNITY REVITALIZATION  
RENEW NC SINGLE-FAMILY HOUSING PROGRAM  
POLICIES AND PROCEDURES

VERSION 1.2 – January 7, 2026

## Version Control

Version Number	Date	Summary of Changes	Approved By
<b>1.0</b>	June 10, 2025	Original document	
<b>1.1</b>	Nov. 10, 2025	<ol style="list-style-type: none"> <li>1. Reorganization and minor text clean-ups for readability</li> <li>2. Clarifying policies in the following areas:             <ol style="list-style-type: none"> <li>a. Award caps updated to reflect changes made in the first Substantial Action Plan Amendment.</li> <li>b. Relocation for properties with site condition challenges.</li> <li>c. Citizenship and legal status.</li> <li>d. Documentation requirements for co-owners and other application designees.</li> <li>e. Documentation requirements for proof of ownership and proof of primary residency.</li> <li>f. Environmental reviews.</li> <li>g. Mitigation activities and related award caps.</li> <li>h. Construction progress inspections related to ACM abatement and radon testing.</li> <li>i. Fraud, Waste &amp; Abuse section.</li> <li>j. Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).</li> </ol> </li> </ol>	
<b>1.2</b>	Jan. 7, 2026	<ol style="list-style-type: none"> <li>1. Minor revisions to reasonable accommodations policies to reflect process improvements.</li> <li>2. Updating rehabilitation cap in Sections 2.6, 8.3, and 8.4.</li> </ol>	

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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 document in question. Unless otherwise noted, policy revisions are applied prospectively, made effective on the date of document approval.

## 1 Introduction

This document serves as the Program policies and procedures for the State of North Carolina Department of Commerce (NCDOC), Division of Community Revitalization (DCR) Renew NC Single-Family Housing Program (Program) for owner-occupied units. These policies and procedures were developed to serve as a basis for the State's disaster recovery housing Program and to provide guidance on Program implementation that follows U.S. Department of Housing and Urban Development (HUD) standards and best practices. This document may also serve as a reference for property owners, applicants, and other interested parties who want to understand how these Programs operate. Note that these policies and procedures are only intended to address the Renew NC Single-Family Housing Program. Each of the other recovery Programs outlined in the State of North Carolina Action Plan for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Funding in Response to Hurricane Helene ("Action Plan") is governed by its own Program policies and procedures document.

The Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158, Division B) ("the Appropriations Act"), approved on December 21, 2024, appropriated funds to assist in long-term recovery from disasters that occurred in 2023 and 2024.

HUD notified the public of allocations of funds appropriated by the Appropriations Act in a press release and in a Federal Register notice, *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice (UN AAN)* which was published at 90 FR 4759 on January 16, 2025 (the "Allocation Announcement Notice"). The Allocation Announcement Notice subjects the allocations to requirements in a Federal Register notice, *Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice* published at 90 FR 1754 on January 8, 2025, as amended (the "Universal Notice").

On March 19, 2025, HUD published Memorandum 25-02 titled, "Revisions made to the Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice published in the Federal Register (90 FR 1754) and Clarifications to the Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice Published in the Federal Register (90 FR 4759)," which included revisions to the Universal Notice to align requirements with the President's executive orders.

On March 31, 2025, HUD published Memorandum 25-03 titled, "Revisions made to the Common Application, Waivers, Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice published in the Federal Register (90 FR 1754)," to revise two additional sections of the Universal Notice to align with 2 C.F.R. 200.340 and one additional executive order.

In 2025, the State of North Carolina was allocated a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the US Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by Hurricane Helene in 2024. Federal Register Vol. 90, No. 10 allocated a total of \$1,428,120,000 in disaster recovery funds to the State of North

Carolina. The CDBG-DR funds allotted to North Carolina have been allocated to housing, economic revitalization, infrastructure, and mitigation Programs. These funds will be administered through the DCR. DCR is the agency responsible and accountable to HUD for the administration of CDBG-DR funding. DCR has allocated \$807,354,000 million of the CDBG-DR funding for the single-family housing Program, which will serve single family owner-occupied units.

The unmet needs assessment included in the Action Plan demonstrated significant unmet need related to single family home repair, reconstruction, or replacement, for both owner- and renter-occupied properties throughout the counties impacted by Hurricane Helene in 2024. Program budgets were determined based on information gathered during the unmet needs assessment, as outlined in the Action Plan.

## 2 Program Overview

### 2.1 The Renew NC Single-Family Housing Program Overview

The Renew NC Single-Family Housing Program provides housing assistance to eligible single-family owner-occupant applicants (Owner-Applicants) affected by Hurricane Helene in September 2024 (“qualifying event”). The Program assists property owners by providing funding to repair, reconstruct, or replace single family homes that suffered damage from the qualifying event. In certain cases, the Program may provide applicants with funding to reimburse for repairs already completed. More information about the specific types of assistance the Program can provide can be found in section 8.

The Program is centrally administered by the NCDOC, Division of Community Revitalization (DCR) and serves low to moderate-income (LMI) households impacted by the qualifying event in twenty-nine (29) HUD and State-designated Most Impacted and Distressed (MID) areas, which include: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Clay, Cleveland, Gaston, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mecklenburg (zip code 28214 only) Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey counties.

Due to funding limitations and other factors, the Program cannot guarantee assistance to all interested property owners. However, the Program endeavors to serve as many North Carolinians as it can with available funds and prioritize assistance for applicants in the HUD-Identified MID areas with the State-Identified MID areas having a second priority.

Please see the Program Priority section for more information on how priorities are assigned.

Applicants who meet the eligibility and other Program requirements explained in the Program's policies and procedures may be awarded grants to repair/rehabilitate, reconstruct, or replace their hurricane-damaged property in place. Maximum awards under the Program may also include funding to implement mitigation and resilience actions, including elevation, restoration, and improvement of privately-owned roads and bridges, and rehabilitation or replacement of private primary access bridges, which reduce the risk to inhabitants and protect the public investment in the reconstructed units. Outside of the reimbursement priority, Program funds will not be distributed to homeowners directly, instead funds will be distributed to Program-selected general contractors and used to pay for the cost of construction activities. Eligible property types may include:

- Stick-built homes,

- Manufactured housing units (MHU),
- Modular homes,
- Other single-family residence types, including townhomes and condominiums (Repair/Rehabilitate Only).

## 2.2 Purpose and Objective of the Renew NC Single-Family Housing Program

The purpose of the Renew NC Single-Family Housing Program is to assist the most vulnerable and impacted households in North Carolina's seventeen (17) HUD MID areas and twelve (12) State MID counties and address the housing needs identified in the unmet needs assessment. The Program's primary objective is to provide decent, safe, and sanitary housing for eligible applicants.

The Program is designed to ensure that the housing needs of very low, low and moderate-income households are addressed to the greatest extent feasible. To this end, the Program will address disaster-related damage and implement mitigation improvements to reduce future risks to residents. While the Program does not endeavor to replace homes in a "like-for-like" manner, it will incorporate mitigation activities to make Program assisted homes more resilient in the face of future disasters.

### 2.2.1 Rapid Unsheltered Survivor Housing (RUSH) Program

The State of North Carolina received a total of approximately \$4,900,000 from HUD for the Rapid Unsheltered Survivor Housing (RUSH) Program. The State has exhausted funding received from this stream, which assisted individuals and families experiencing or at risk of homelessness due to Hurricane Helene. The Renew NC Single-Family Housing Program will build upon RUSH funding received from HUD by assisting families and individuals affected by Hurricane Helene by providing repairs, rehabilitation, reconstruction, or replacement of owner-occupied single-family dwellings.

### 2.2.2 System for Award Management (SAM) and Debarment Checks

DCR will perform SAM and Debarment checks per 2 C.F.R. § 200.214 to ensure contractors and subcontractors are eligible to receive public funds. Records must be kept in accordance with the award.

## 2.3 National Objective

All housing units assisted through the Program shall either provide benefit to Low and Moderate Income (LMI) people through housing (LMI Housing) or meet Urgent Need (UN) criteria. While DCR does not anticipate widespread use of the UN National Objective under the Program, it may be necessary, for example, in situations to ensure housing is reconstructed or rehabilitated for certain populations that are over the 80% AMI threshold; to promote more complete recovery of small rural communities; or address other anomalies that could halt the provision of assistance to households that lack the resources to recover from the impacts of Hurricane Helene.

To ensure that the Program is in compliance with HUD's National Objective to benefit low-and moderate-income persons, DCR is implementing an application process designed to ensure compliance with HUD's overlapping requirements that at least: 1) 80% of the funds be expended in the HUD-Identified MID areas; and 2) 70% of funds be expended for activities that benefit LMI persons. Given these requirements, DCR will first invite applications from households in the HUD-Identified MID areas and will prioritize those applications based on household income and subsequently on characteristics described in more detail in Section 3.4 below.

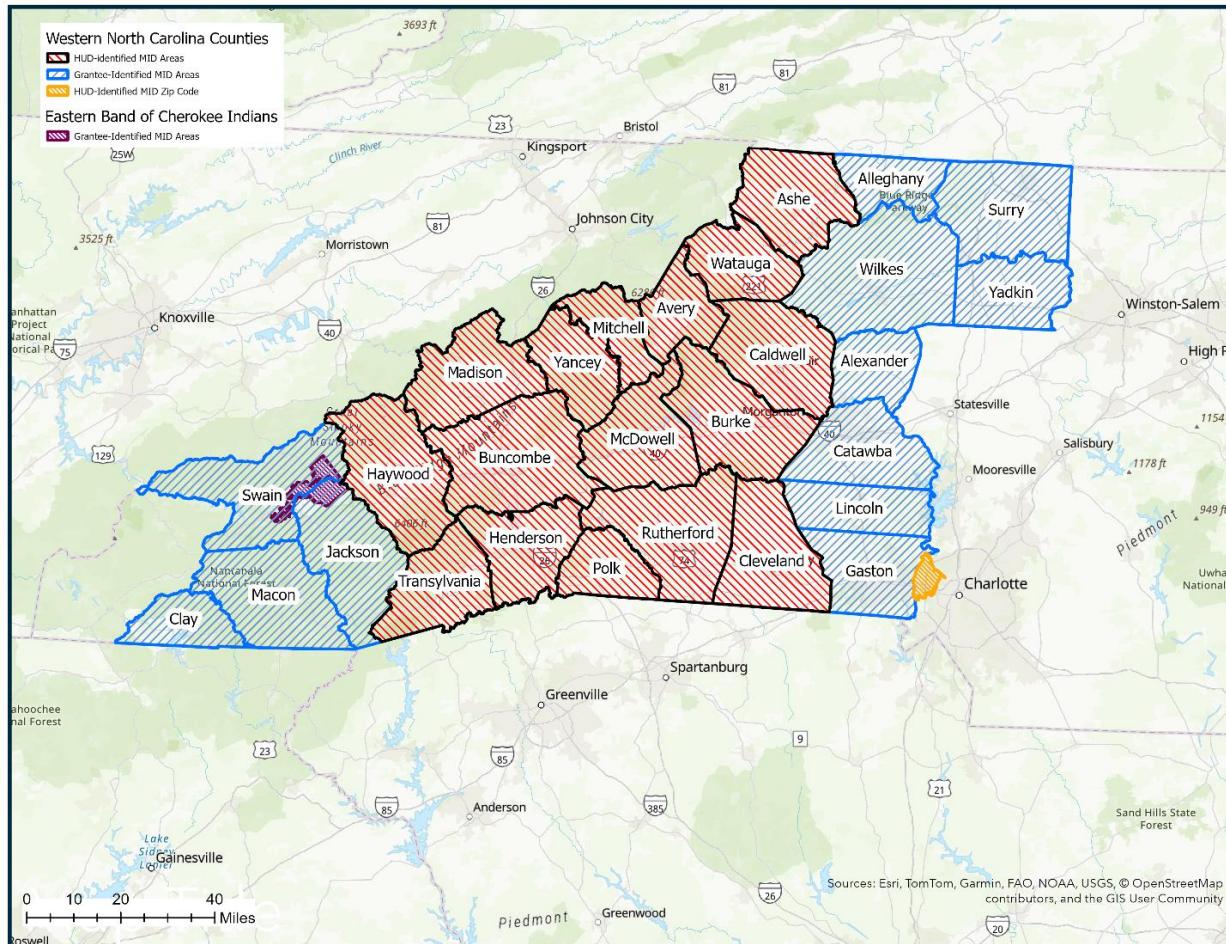
## 2.4 Eligible Activities

The Renew NC Single-Family Housing Program may fully leverage the complete range of approved activities outlined in the approved Action Plan. This ensures alignment with statewide housing strategies, enabling efficient implementation, optimized resource use, and consistency across all Single-Family Housing Program efforts.

## 2.5 Eligible Counties

To be eligible to participate in the Program, the damaged property must be located in a HUD or State-identified Most Impacted and Distressed (MID) county.

Eligible counties are shown in the map and table below.



County	HUD or State MID
Alexander	State MID
Alleghany	State MID
Ashe	HUD MID
Avery	HUD MID
Buncombe	HUD MID

County	HUD or State MID
Burke	HUD MID
Caldwell	HUD MID
Catawba	State MID
Clay	State MID
Cleveland	HUD MID
Gaston	State MID
Haywood	HUD MID
Henderson	HUD MID
Jackson	State MID
Lincoln	State MID
Macon	State MID
Madison	HUD MID
McDowell	HUD MID
Mecklenburg (zip code 28214 only)	HUD MID
Mitchell	HUD MID
Polk	HUD MID
Rutherford	HUD MID
Surry	State MID
Swain	State MID
Transylvania	HUD MID
Watauga	HUD MID
Wilkes	State MID
Yadkin	State MID
Yancey	HUD MID

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

## 2.6 Award Caps

The maximum award granted for the rehabilitation, including mitigation actions, of any one owner-occupied single-family structure is \$100,000. The maximum award granted to reconstruct or replace any one structure, including mitigation actions, is \$450,000. Maximum awards under the Program may include funding to implement mitigation and resilience actions, including elevation, restoration, and improvement of private roads and bridges, to help protect residents and the public investment in the reconstructed or rehabilitated units. Additional award guidelines include the following:

- Stick-built properties qualify for a repair award if the estimated cost to repair/rehab the structure is less than \$100,000 or 50% of the pre-storm value of the structure based on tax cards from local property tax assessors, whichever is lesser. Properties with an estimated cost to repair between \$75,000 and \$100,000 may be deemed reconstructions if certain conditions exist that may lead to increased likelihood of change order costs.
- Stick-built properties qualify for a reconstruction award if the estimated cost to repair the structure is greater than or equal to \$100,000 or 50% of the pre-storm value of the structure, whichever is lesser. Properties with an estimated cost to repair between \$75,000 and \$100,000 may be deemed reconstructions if certain conditions exist that may lead to increased likelihood of change order costs.

may be deemed reconstructions if certain conditions exist that may lead to increased likelihood of change order costs.

- Manufactured Housing Units (MHU) qualify for repair if the estimated cost to repair the unit is less than \$25,000 and the unit was manufactured within the past five (5) years old (based on model year of the damaged unit and the date of the damage assessment).
- MHUs qualify for replacement if the estimated cost to repair the unit is greater than or equal to \$25,000 or the unit was manufactured five (5) or more years ago (based on the model year of the unit and the date of the damage assessment).
- Owners of MHUs eligible for replacement will be offered the option for an on-site, stick-built reconstruction of their MHU if they own the land upon which the damaged MHU sits, and if local code/zoning/ordinance allows for a site-built home.
- Owners of properties where the land is no longer feasible to be built may be offered a buyout or relocation award. In a relocation, the award type would either be reconstruction or MHU replacement. The award cap would remain unchanged at \$450,000. Applicants would be required to obtain the relocation property on their own without creating a choice limiting action. Site conditions that may trigger a relocation or buyout award may include, but are not limited to:
  - Landslides/soil stability
  - Private road and/or bridge damage
  - Environmental conditions
  - Code and zoning considerations
  - Unbuildable lots
- The maximum award for reimbursement for repairs, reconstruction, or replacement of Hurricane Helene damaged single-family, owner-occupied housing shall be equal to the maximum award for reconstruction of a new structure, which is \$450,000. To qualify for a reimbursement award, owner contracted construction at the hurricane-damaged property must be completed before the date of application submission and is subject to requirements set forth in Section 8.

DCR may make exceptions to the maximum award when necessary to comply with federal accessibility standards or to reasonably accommodate persons with disabilities. Award cap exceptions will be considered on a case-by-case basis in accordance with Section 17 of this document.

### 3 Intake Application

Applications will be accepted by the Program for six (6) months from June 16, 2025 to December 31, 2025. DCR may adjust the intake period at its discretion to accommodate Program needs. Only one (1) owner-occupied application per applicant will be considered for the Renew NC Single-Family Housing Program. Owner-Applicants may only submit an application to the Program for their primary residence<sup>1</sup>. Those who may qualify for both the Renew NC Single-Family Housing Program and the Small Rental Program, as an Owner-Applicant and Landlord-Applicant, may submit one (1) application to each Program. Program eligibility for each Program will be based on and determined by each Program's policies and procedures.

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<sup>1</sup> As defined in section 4.3.1

Single-family property owner-occupants interested in assistance may apply for the Program via the following methods.

- Complete an application online at [www.RenewNC.org](http://www.RenewNC.org)
- Visit any Program Service Center at the addresses below. All service centers are open from 8:00 AM to 6:00 PM, Monday through Saturday<sup>2</sup>. Modified hours may be offered as dictated by Program needs.

<b>Marion</b>	<b>Asheville</b>	<b>Boone</b>
364 US Hwy 70	128 Bingham Rd.	379 New Market Blvd
Suite 3	Suite 875	Suite 1
Marion, NC 28752	Asheville, NC 28806	Boone, NC 28607

- Download the “Renew NC Housing Program” mobile app from the Google Play Store or the Apple App Store and follow the instructions provided, or
- Call 888-791-0207 to be connected to a Case Manager.

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

Case Managers will be available at the Program Service Centers, by phone, and via email to assist the applicant through the intake process and to answer questions as needed. Each applicant will be assigned a dedicated Case Manager. Each Case Manager has a direct email and phone line at which he/she can be reached. Applicants are provided 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 in the bullets above.

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information regarding their applications and the Program.

In addition to the direct communication methods identified above to Case Management personnel, applicants may also contact the Program from one of the methods below.

- Renew NC Single-Family Housing Program website: [www.RenewNC.org](http://www.RenewNC.org)
- Email: [HeleneRecovery@RenewNC.org](mailto:HeleneRecovery@RenewNC.org)
- Mail to: Renew NC Single-Family Housing Program  
364 US Hwy 70  
Suite 3

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<sup>2</sup> Please note that State-recognized holidays may impact these hours.

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

Marion, NC 28752

### 3.1 Applicant Identification

All owner-occupant applicants and household members of the owner-occupied home, age eighteen (18) or older at the time of application, will be required to submit a valid photo identification. Expired photo identification will not be accepted. Forms of identification accepted by the Program are:

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

Household members under the age of eighteen (18) must also submit proof of age and identity. Birth certificates must be submitted for all household members under eighteen (18). If an applicant is unable to produce a birth certificate for a minor child, other documents such as but not limited to Drivers License, Passport, Medicaid or SNAP benefits, Social Security Card, Insurance Cards and/or school enrollment records may be considered on a case-by-case basis.

### 3.2 Citizenship and Legal Status

North Carolina will administer the Program in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA. Subject to the exceptions provided by PRWORA, the State will use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States. The Program has determined that citizenship status must be confirmed for any and all individual owners of record for the damaged real property or manufactured housing unit, including all applicant/co-applicant owners and non-applicant owners. Forms of citizenship documentation accepted by the Program for applicants and co-applicants<sup>4</sup> are:

- U.S. Passport or Passport Card
- Birth Certificate
- Real ID representing citizenship or qualified alien status (A state-issued driver's license that meets the REAL ID Act standards).
- Certificate of Naturalization
- Permanent Resident Card (Green Card)
- Military or Veterans ID for person who served
- Other citizenship documentation may be considered on a case-by-case basis.

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<sup>4</sup> Co-Owner and Spouse Consent Form includes attestation that the individual signing the form is a citizen of the United States or a qualified alien as defined in 8 U.S.C. 1641.

### 3.3 Applicant Designees

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

- **Power of Attorney:** A Power of Attorney is someone who is legally authorized to act on behalf of the applicant. The powers afforded to a legally authorized Power of Attorney vary, based on the duly executed Power of Attorney document. The Program will not aid applicants in designating or securing a Power of Attorney but will recognize the powers of a legal Power of Attorney as outlined in a Power of Attorney document submitted by the applicant.
- **Co-Applicant:** A Co-Applicant must be an adult, and a co-owner of the damaged property. A Co-Applicant must also be a household member of the damaged property. Co-Applicants will have the same authority over the Program application as the Applicant. If a Co-Applicant is designated by the Applicant, Co-Applicants must sign all Program documents with the Applicant. The Co-Applicant will be granted decision-making authority over the Program application.
- **Co-Owner:** Applicants with joint ownership of a property and applicants who are married must submit a Co-Owner/Spouse Consent form, signed by all owners of the property and their spouses who are not applicants/co-applicants to the Program, which gives each co-owner and spouse's consent for the Program to affect the damaged property up to demolishing and reconstructing the property, if the applicant qualifies to receive assistance. Any co-owner that wants decision-making authority must be designated as a Co-Applicant, however, Applicants are not required to designate a Co-Applicant, regardless of whether the damaged property is owned jointly.
- **Communication Designee:** A communication designee may be any adult person the applicant wishes to designate as an authorized person to receive information about the Applicant's Program application. The Program shall be authorized to share information with the Communication Designee, but the Communication Designee is not authorized to make any decisions regarding the Program application or affect the Program 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.

### 3.4 Required Applicant Certifications

As part of the Program 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, a description of the content of the certification, and which applicant type(s) must sign the certification.

Certification	General Description
Release of Information	Authorization from the applicant to share and receive personal information from third parties in connection with the Program and for purposes of progressing his/her case through the Program

Certification		General Description
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 the Program after provision of assistance through the Program must be returned to DCR
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.
Uniform Relocation Act Compliance		Applicant agreement to comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)
Conflict of Interest Disclosure		Applicant's report of relationship with any public servant, employee, agent, consultant, officer, or elected official or appointed official of DCR, 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.

Table 2: Applicant Certifications Collected at Intake

### 3.5 Order of Assistance (Priority)

Consistent with the Action Plan, the Program will prioritize review of owner-occupant applicants based on the following factors:

Phase	Priority	MID Status	AMI Percent	Is any member of the household: Is under 18, Over 62, disabled, or has accessibility needs?
Phase 1	1	HUD	<60%	Yes
	2	HUD	<60%	No
	3	State	<60%	Yes
	4	State	<60%	No
Phase 2	1	HUD	60-80%	Yes
	2	HUD	60-80%	No
	3	State	60-80%	Yes
	4	State	60-80%	No
Phase 3	1	HUD	<80% Reimbursement	No
	2	State	<80% Reimbursement	No
Phase 4	1	HUD	81-120% AMI	N/A

	2	State	81-120% AMI	N/A
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To be considered as a household with disabled household member(s), a Verification of Disability Form must be completed by the applicant. The Verification of Disability form requires that the applicant document the disability via one of the following acceptable methods:

1. Visible disability such as a wheelchair bound applicant/household member or an applicant/household member utilizing the assistance of a walker can be verified by a Program 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 a medical professional;
4. Presentation of a government issued disability placard;
5. North Carolina Homestead Exemption which shows the applicant is disabled; or
6. Self-certification of disability

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 as a priority because a household member is age seventeen (17) at the time the application is submitted, the priority designation will be honored throughout the life of the Program. Priority does not expire when the household member turns eighteen (18). Similarly, if a household member was under sixty-two (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

### 4.1 Eligibility Requirements

The Renew NC Single-Family Housing Program (Program) will assist owner-occupied housing units. An owner of a single-family, owner-occupied property who owned the property at the time of the qualifying event may be eligible for assistance. All applicants will be screened for eligibility to ensure compliance with Program 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 receives a benefit from the Program and is found to have submitted fraudulent, inaccurate and/or incomplete information to appear eligible for the Program, then they may be required to make full restitution to the State of North Carolina, including administrative fees, construction costs, and other costs.

All applicants to the Program must demonstrate compliance with all eligibility criteria.

Individual Owner-Applicants applying to the Program for assistance must meet all the following criteria:

- Must be a citizen or lawful permanent resident of the United States
- Must have owned the damaged property at the time of Hurricane Helene, September 27, 2024 and must still own the property.
- Must have occupied the home as a primary residence at the time of Hurricane Helene, September 27, 2024.
- The hurricane-damaged property must be located within one of the HUD- or state-identified Most Impacted and Distressed (MID) areas.
- The property must have unrepairs damage or, in the case of reimbursement, sustained damage as a result of Hurricane Helene.
- The hurricane-damaged property must be an eligible structure type.
- Must be current on their property taxes or on a payment plan in good standing.
- If there is a mortgage on the property, the mortgage must be in good standing; and
- The Applicant's household must qualify as low- to moderate-income, with a combined annual household income of no more than 120% of the Area Median Income, adjusted for family size.

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

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

Eligibility Criterion	Document(s) Required
<b>Must be a citizen of the United States in accordance with Executive Order 14218- Ending Taxpayer Subsidization of Open Borders.</b>	<p>Owners and co-owners, including spouses, must provide one (1) of the following to demonstrate citizenship:</p> <ul style="list-style-type: none"> <li>• U.S. Passport or Passport Card</li> <li>• Birth Certificate</li> <li>• Real ID representing citizenship or qualified alien status (A state-issued driver's license that meets the REAL ID Act standards)</li> <li>• Certificate of Naturalization</li> <li>• Permanent Resident Card (Green Card)</li> <li>• Military or Veterans ID for person who served</li> </ul>
<b>Must have owned or co-owned the damaged property at the time of Hurricane Helene. Applicant must still own the property to receive assistance.</b>	<p>One (1) of the following:</p> <ul style="list-style-type: none"> <li>• Deed</li> <li>• Mortgage statement (Mortgage Statement at or before the time of the storm and current mortgage statement)</li> <li>• Title (for personal-property MHUs only)</li> <li>• Probated will</li> <li>• Court order or judgement granting ownership of the property</li> <li>• Tax bill for MHU</li> <li>• Affidavit for Removal of Manufactured Home from Vehicle Registration Files</li> </ul>

Eligibility Criterion	Document(s) Required
	<ul style="list-style-type: none"> <li>• Declaration of Intent to Affix</li> <li>• Loan Statement</li> <li>• Property Tax Cards</li> <li>• Other documents may be considered on a case-by-case basis</li> </ul>
<b>Must have occupied the home as a primary residence at the time of the qualifying event.</b>	<p>Homestead exemption at the hurricane-damaged property address in 2024, which was the year of the qualifying event</p> <p>OR, any two (2) of the following:</p> <ul style="list-style-type: none"> <li>• FEMA IA award letter for damaged property address for damage caused by Hurricane Helene.</li> <li>• SBA Disaster Home Loan award letter for damaged property address for damages caused by Hurricane Helene.</li> <li>• Driver's license or state-issued ID card showing the damaged property address; issued prior to the date of the hurricane and expiring after.</li> <li>• Utility bill addressed to applicant at damaged property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricane time period).</li> <li>• Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the disaster.</li> <li>• Insurance documentation indicating primary residence in 2024, such as a homeowner's endorsement.</li> <li>• Employer's statements, including pay stubs and similar employment documents (must be dated in the month preceding or month of the disaster)</li> <li>• Other documents may be considered on a case-by-case basis</li> </ul>
<b>Property is located in a HUD- or State-Identified MID Area.</b>	<p>Verified by the Program using hurricane-damaged property address and GIS mapping if needed</p>

Eligibility Criterion	Document(s) Required
<b>Property sustained damage from Hurricane Helene.</b>	<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 hurricane-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"> <li>• FEMA IA award letter for damaged property address for damage caused by Hurricane Helene.</li> <li>• SBA Disaster Home Loan award letter for damaged property address for damages caused by Hurricane Helene.</li> <li>• Insurance claim noting damages at the damaged property address caused by Hurricane Helene.</li> <li>• Date-stamped, color photos of storm damage at the damaged property address; or</li> <li>• Other documents may be considered on a case-by-case basis</li> </ul>
<b>The hurricane-damaged property must be an eligible structure type.</b>	<p>Verified by the Program via a Damage Assessment.</p> <p>OR</p> <p>If it is impossible to verify structure type via a Program damage assessment, such as in cases where the hurricane-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"> <li>• Pre-storm information on structure type from the property appraiser's office.</li> <li>• Date-stamped, color photos of the damaged property address; or</li> <li>• Other document considered on a case-by-case basis</li> </ul>
<b>Property Taxes Current</b>	<p>Acceptable documents may include:</p> <ul style="list-style-type: none"> <li>• Proof from the tax assessor of property taxes paid in full at the time of application; or</li> <li>• Proof of a payment plan in good standing at the time of application</li> </ul>
<b>If there is a mortgage on the property, the mortgage is in good standing.</b>	<p>Most recent mortgage statement, at time of application, showing no arrearages</p>

Eligibility Criterion	Document(s) Required
<b>Household is low- to moderate-income<sup>5</sup>.</b>	<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"> <li>• Most recent year tax return OR, if tax return is not available:</li> <li>• All paystubs from the past ninety (90) days or current W-2 form, based on the pay frequency below. <ul style="list-style-type: none"> <li>○ If paid weekly, Twelve (12) most recent pay stubs</li> <li>○ If paid bi-weekly, Six (6) most recent pay stubs</li> <li>○ If paid monthly, Three (3) most recent pay stubs</li> </ul> </li> <li>• Retirement/Social Security: <ul style="list-style-type: none"> <li>○ Past three (3) Months Bank Statements (Social Security Benefits &amp; Pension only),</li> <li>○ Current Social Security Benefits letter (including benefits paid to minors),</li> <li>○ Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or</li> <li>○ Current Annuity Payment letter (if applicable), or prior year 1099 form.</li> </ul> </li> <li>• <b>Self-Employment Income:</b> Most recent tax return (1040 or 1040A), W-2 Forms; and/or Current year profit and loss statement.</li> <li>• <b>Rental Income:</b> Current lease agreements</li> <li>• <b>Unemployment Benefits:</b> Current benefit letter with gross benefit amount.</li> <li>• <b>Court Ordered Alimony/Spousal Maintenance:</b> Copy of court order documentation.</li> <li>• <b>Taxable Interest and Dividends</b> (including amounts received by, or on behalf of, minors).</li> <li>• <b>Other Taxable Income:</b> (Cash income, tips, etc.) A written statement from the applicant or the applicant's employer verifying the amount of cash contributions received</li> <li>• <b>No Income:</b> Adult household members who do not earn an income will be required to submit a Certification of No Income.</li> </ul>

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

Each eligibility criterion is further outlined in the sections that follow.

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

## 4.2 Citizenship and Legal Status Requirements

North Carolina will administer the Program in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA. Subject to the exceptions provided by PRWORA, the State will use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States. The Program has determined that citizenship status must be confirmed for any and all individual owners of record for the damaged real property or manufactured housing unit, including all applicant/co-applicant owners and non-applicant owners.

The Program applicant or co-applicant may satisfy the citizenship or immigration requirements of the Program by providing any of the documents below.

- U.S. Passport or Passport Card
- Birth Certificate
- Real ID representing citizenship or qualified alien status (A state-issued driver's license that meets the REAL ID Act standards).
- Certificate of Naturalization
- Permanent Resident Card (Green Card)
- Military or Veterans ID for person who served

If the applicant is an immigrant and unable to provide any of the documentation reference above, the Program will confirm lawful presence through the SAVE Program and retain SAVE documentation in eligibility files.

Co-owners will be required to attest as to their status as a U.S. citizen or lawful resident alien on the Co-Owner and Spouse Consent Form.

Other citizenship documentation may be considered on a case-by-case basis.

## 4.3 Ownership Requirements

### 4.3.1 Ownership Overview

To qualify for the Program, applicants must demonstrate that they owned the property at the time of the qualifying event in September 2024 and must currently own the damaged property<sup>6</sup>.

Applicants must agree not to sell or transfer the property, or any interest in it until after the completion of the Program compliance period. Applicants must notify the Program before any transfer of the property

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<sup>6</sup> An exception may be considered by DCR in the event an applicant lived in the home as their primary residence at the time of the qualifying event and subsequently inherited the property due to the death of the owner at the time of the qualifying event. In order to be considered, an applicant would be required to demonstrate residency both at the time of the storm and currently and ownership, as well as other eligibility requirements.

if that transfer occurs before the end of the compliance period. More information about the Program compliance period can be found in section 11.6 Compliance Period of this document. Below is a brief description of the compliance periods for owner-occupant applicants:

- Owner-Applicants assisted for their primary residence must agree to own and use the Program-assisted home as their primary residence for a **period of three (3) years after completion of construction.**

#### 4.3.2 Ownership Documents – Stick Built Structures

Proof of ownership can be established with the following documents:

- Deed
- Mortgage statement (Mortgage Statement at or before the time of the storm and current 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

#### 4.3.3 MHU Ownership Requirements

Owner-Applicants applying for assistance for an MHU must establish both ownership of the MHU at the time of the qualifying event and current ownership of the damaged unit. While MHU owners do not need to demonstrate proof of land ownership to be eligible, MHU owners must demonstrate that they have legal right to occupy the land and that the landowner consents to the Program demolishing and replacing the unit or repairing the unit on the owner's land, should the applicant qualify to receive assistance. The legal right or permission must be provided for a minimum of three (3) years post construction completion.

If the applicant does not own the land and the landowner is not willing to provide consent to replace the unit on the land, the Program may discuss relocation options with the applicant.

Landowner consent must be provided from the owner of the land to be confirmed by one of the following documents:

- Deed
- Mortgage statement (Mortgage Statement at or before the time of the storm and current 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
- Property Cards

Landowner identity will be confirmed by providing a completed, notarized landowner consent form.

##### 4.3.3.1 MHU Ownership Documents Required

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

- Property Title.
- Bill of Sale showing applicant name as owner prior to the date of the storm.

- Title from the county land records showing MHU ownership; or
- State issued Certificate showing the name of the applicant as owner.
- Tax bill for MHU
- Affidavit for Removal of Manufactured Home from Vehicle Registration Files
- Declaration of Intent to Affix
- Loan Statement
- Property Tax Cards

#### 4.3.4 Trust

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

#### 4.3.5 Title Clearance Activities

Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in this guideline due to heirship or probate issues may be afforded up to one (1) year from the date of application to clear title defects related to probate and/or heirship and provide the Program with an acceptable document to demonstrate ownership. If an applicant cannot sufficiently resolve ownership issues within **one (1) year of application submission**, the case will be deemed ineligible for failure to sufficiently prove ownership of the hurricane-damaged property. The Program will not reserve an applicant's position in the Program while title clearance activities are performed. The Program may exhaust available funding while applicants work to clear titles.

#### 4.3.6 Death of an Owner-Applicant

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

- The heir is a household member listed on the application; and
- The heir can demonstrate current ownership of the hurricane-damaged property via one of the accepted methods outlined in this section within one year from date of owner-applicant death; and
- The heir meets all other eligibility requirements.

If no eligible household member-heir is identified, the application will be closed. If an Owner-Occupant passes away after Program construction has begun on their property as determined by the issuance of a Notice to Proceed (NTP) to the Program General Contractor (GC), the Program will complete construction of the property.

### 4.4 Primary Residence

Owner-Applicants must provide documentation that establishes that they occupied the damaged property as their primary residence as of the date of the qualifying event on September 27, 2024. The Program defines "primary residence" as the home where a person lives most of the year and considers their permanent address. Key factors include the amount of time spent there, the address on official documents like driver's licenses and tax returns. A person can only have one primary residence at a time.

Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible.

#### 4.4.1 Documents Required

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

- Homestead exemption at the hurricane-damaged property address in 2024, which was the year of the qualifying event; or
- Any two (2) of the following:
  - FEMA IA award letter for damaged property address for damage caused by Hurricane Helene (could be verified via data provided by FEMA to DCR).
  - SBA Disaster Home Loan award letter for damaged property address for damage caused by Hurricane Helene (could be verified via data provided by FEMA to DCR).
  - Driver's license or state-issued ID card showing the damaged property address; issued prior to the date of the hurricane and expiring after.
  - Utility bills addressed to applicant at damaged property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricane time period).
  - Credit card bill or bank statement sent to the applicant at the damaged property address in the month preceding or the month of the disaster.
  - Insurance documentation indicating primary residence in the year 2024, such as homeowner's endorsement.
  - Employees' statements, including pay stubs and similar employment documents, dated in the month preceding or month of the disaster
  - Other documents may be considered on a case-by-case basis

The Program will review and assess all available documentation together and determine primary residence based on the applicant's demonstration of consistency across the variety of documentation provided. If inconsistencies in documentation are found in information provided or via available public records, 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).

#### 4.5 Property Must be Located in an Eligible County

To be eligible, a property must be located in a HUD- or State-identified Most Impacted and Distressed (MID) area. The Program will verify the property location using the property address and GIS coordinates/mapping if needed.

Eligible areas are shown below in the table below.

County	HUD or State MID
Alexander	State MID
Alleghany	State MID

County	HUD or State MID
Ashe	HUD MID
Avery	HUD MID
Buncombe	HUD MID
Burke	HUD MID
Caldwell	HUD MID
Catawba	State MID
Clay	State MID
Cleveland	HUD MID
Gaston	State MID
Haywood	HUD MID
Henderson	HUD MID
Jackson	State MID
Lincoln	State MID
Mecklenburg (zip code 28214 only)	HUD MID
Macon	State MID
Madison	HUD MID
McDowell	HUD MID
Mitchell	HUD MID
Polk	HUD MID
Rutherford	HUD MID
Surry	State MID
Swain	State MID
Transylvania	HUD MID
Watauga	HUD MID
Wilkes	State MID
Yadkin	State MID
Yancey	HUD MID

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

## 4.6 Property Has Sustained Storm Damage

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

## 4.7 Structure Type

### 4.7.1 Eligible Structure Type

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

- Single-family (1 unit) stick-built homes
- Manufactured Housing Units (MHUs)

- Condominiums and townhomes may be eligible for rehabilitation or repair only if applicant owns the unit and is applying for assistance for only one unit in that building

#### 4.7.2 Ineligible Structures

The following structure types are ineligible for assistance:

- Duplexes, triplexes, quadraplexes;
- Garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for repair but may be eligible for demolition only, as part of an eligible project, if deemed a safety hazard or in the path of the proposed construction activities. Garages, sheds, and outbuildings will not be addressed as stand-alone activities. Improvements must be permanently attached to the main housing structure
- Recreational Vehicles and camper trailers used as a residence are not eligible for the Program
- Houseboats used as a residence are not eligible for the Program
- Second homes
- Seasonal, short-term, and vacation rental properties
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within a Coastal Barrier Resources System unit
- Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or foreclosure; and
- Properties located on sites with extraordinary site conditions that are determined to be not feasible for demolition and reconstruction or replacement. Extraordinary site conditions may include, but are not limited to, properties that are not accessible or fit for construction due to soil erosion or other environmental factors, properties that the Program determines cannot be reconstructed for a cost within the maximum award, properties with environmental or historic preservation concerns, properties where local building codes prohibit Program scopes of work, or properties located in a floodway

#### 4.8 Property Taxes Current

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

#### 4.9 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.

#### 4.10 Household Must be Income Eligible

To meet Program income eligibility requirements, Owner-Applicants must have a total household annual gross income that does not exceed 120% AMI, adjusted for family size, as published annually by HUD. The Program will use the Internal Revenue Service (IRS) Form 1040 definition of income, as set forth in HUD regulations, for the purpose of determining Owner-Applicants' eligibility for the Program. The IRS Form 1040 method of calculating income is often referred to as the Adjusted Gross Income or the AGI method.

All household members included in the AGI calculation, if required to file, must provide a copy of their previous year's filed tax return or tax return transcript, if available, for the AGI of the household to be calculated. The Program will allow the use of the previous tax year's tax return in determining annual income for each adult household member, and no other documentation will be required. However, the applicant will certify there have 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. A substantial change is defined as an increase in household income of 15% more than the previous year.

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:** All paystubs from the past ninety (90) days or current W-2 form, based on the pay frequency below.
  - If paid weekly, Twelve (12) most recent pay stubs
  - If paid bi-weekly, Six (6) most recent pay stubs
  - If paid monthly, Three (3) most recent pay stubs
- **Retirement or Social Security:**
  - Past three (3) Monthly Bank Statements (Social Security Benefits & Pension only),
  - Current Social Security Benefits letter (including benefits paid to minors),
  - Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or
  - Current Annuity Payment letter (if applicable), or prior year 1099 form.
- **Self-Employment Income:** Most recent tax return (1040 or 1040A), W-2 Forms; and/or Current year profit and loss statement.
- **Rental Income:** Current lease agreements
- **Unemployment Benefits:** Current benefit letter with gross benefit amount.
- **Court Ordered Alimony/Spousal Maintenance:** Copy of court order documentation.
- **Taxable Interest and Dividends** (including amounts received by, or on behalf of, minors).
- **Other Taxable Income:** (Cash income, tips, etc.) A written statement from the applicant or the applicant's employer verifying the amount of cash contributions received.
- **No Income:** Adult household members who do not earn an income will be required to submit a Certification of No Income.

#### 4.10.1 Household Size

A household is defined as all people 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 people who share living arrangements. Household members are all people (minors and adults) who are living in the damaged home. The test of meeting the low-to-moderate income objective is based on the total adjusted gross income of all the household members.

#### 4.10.2 Income Calculation Methodology

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

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

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

If 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 living in the applicant's home less than 50% of the year.
- Tenants who reside in the applicant's home.
- People 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 for the exclusion. 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; or
- If an applicant is married and their spouse is absent from the household, residing in a separate 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 Duplication of Benefits

### 5.1 Duplication of Benefits

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

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

To determine if a duplication of benefit exists, the Program 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, the Program subtracts non-duplicative assistance received. Non-duplicative assistance is: (i) assistance provided for a different purpose than Program funds; or (ii) assistance provided for the same purpose as Program funds that was expended for a different eligible use.

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

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

### 5.1.1 Common Available Assistance

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

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

Funds received from any source including flood insurance, FEMA, and hazard insurance that were used to repair storm damage to the applicant’s home prior to application to the Program may reduce the amount of available assistance considered.

Any additional funds paid to applicant awardees for the same purpose as the Program after the state has completed the repair, rehabilitation, replacement or reimbursement of the homeowner’s housing units must be returned to DCR.

#### *5.1.1.1 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 an 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 IA 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 the Program is unable to verify the FEMA

IA amount through the FEMA database, the Program will use the payment amount provided by the homeowner at the time of application.

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

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

Any payments for loss to the dwelling due to the qualifying event under NFIP insurance policies may be considered available for 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 the Program. The Program will verify NFIP claim information using third party data provided by NFIP. If an applicant can provide documentation demonstrating that the insurance proceeds amount provided by the NFIP database includes items not related to the structural loss, the Program 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.

#### *5.1.1.3 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 the Program is unable to determine the amount and/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, and direct information from NFIP.

#### *5.1.1.4 Private Insurance*

All property, flood, casualty, landlords, 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 the Program. 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 the Program by contacting the insurance company directly. If the Program is unable to verify the private insurance proceeds through the insurance company, the Program will use the claims payout amount provided by the homeowner.

As set forth in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, "*applicants for CDBG-DR assistance are expected to seek insurance or other assistance to which they are legally entitled under existing policies and contracts*". Therefore, applicants seeking funds under the Program 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 Case Manager will reach out to the applicant to collect insurance claim information from the applicant if:

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

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

Acceptable claim documentation may include but is not limited to:

- Claim Settlement Summary
- Claim Denial Letter
- Insurer correspondence that indicates the applicant did not have particular coverages available or applicant's policy did not cover the event or damage sustained. Examples may include, but are not limited to, flood, mudslide, landslide)
- Homeowners Policy Declarations at the time of storm
- Alternative sources of evidence documentation, subject to a committee review on a case-by-case basis.

#### *5.1.1.5 Small Business Administration (SBA)*

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

The Program will collect SBA information provided by the Applicant through the application process. In addition, the Program may obtain data feeds 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.).

#### *5.1.1.6 Declined SBA Loans*

Declined loans are loan amounts offered by a lender but turned down by the applicant, meaning the applicant never signed loan documents to receive loan disbursements. The Program 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.

#### *5.1.1.7 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. Canceled subsidized loan amounts are not considered funds available to the applicant but are subject to further requirements below. Applicants may not take action to reinstate the canceled loan or draw any additional undisbursed loan amounts.

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

#### **5.1.1.8 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 the applicant with rebuilding their home must be reported by the applicant through the application process and must be accounted for and verified by the Program. In addition, the support documentation related to other duplicative funding sources must be provided by the applicant, verified by the Program, and applied as a duplication of benefits by the Program.

#### **5.1.2 Assistance Not Considered Duplicative**

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

The Program will allow for reductions of duplication of benefit totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with 84 FR 28836, the Program may exclude for duplication of benefits purposes assistance that was: (1) provided for a different purpose; or (2) provided for the same purpose, but for a different, allowable use. Each of these categories is further described below.

#### **5.1.3 Funds for a Different Purpose**

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., “disaster relief/recovery”), and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB. 76 FR 71060 defines three (3) general categories for which homeowners generally receive assistance: (1) replacement housing; (2) repair assistance; or (3) interim (temporary housing). Of these three categories, the assistance provided by the Program is generally considered to be repair assistance. Funding received for purposes different from the purpose of assistance offered under the Program will be excluded for purposes of duplication of benefit determination<sup>7</sup>.

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<sup>7</sup> <https://www.hud.gov/sites/dfiles/CPD/documents/Revised-Duplication-of-Benefits-Policy-FAQ.pdf>

#### *5.1.3.1 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 assistance for that purpose. A homeowner does not need to possess cash assistance to be considered being legal in control over receiving benefits for a particular purpose.

#### **5.1.4 Funds for the Same Purpose, but Different Eligible Use**

Funds received for the same purpose as funds provided under the Program, 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 application<sup>8</sup>. 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.

#### **5.1.5 Calculation of Duplication of Benefits**

The DOB Review is conducted in accordance with HUD's guidance as outlined in 84 FR 28836 and Appendix C of the Universal Notice (FR-6489-N-01)<sup>9</sup>.

The basic framework for DOB review is as follows:

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

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

<sup>9</sup> For full text of 84 FR 28866, please visit: <https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-13147.pdf>; FR-6489-N-01, Appendix C <https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR/Updated-6489-N-01-CDBG-DR-UN-Compliance-with-Memo-25-02-English-PDF.pdf>

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 the Program, in accordance with federal law. Because the Program grants awards to eligible applicants in the form of home repair, reconstruction, MHU replacement or reimbursement, duplication of benefits must be resolved prior to award, either through a reduction in the amount of benefit the homeowner will be provided by the Program, known as a scope reduction, or by the applicant providing funds to the Program in the amount of the DOB gap. Scope reduction and applicant payment may be used in combination to reduce the DOB gap to \$0.

### **5.1.6 Duplication of Benefits Gap**

A DOB gap is the total amount of excludable and non-excludable benefits received less the dollar amount of excluded benefits (excludable benefits). If the amount of previous assistance received, minus excludable benefits, is greater than \$0.00, that creates a DOB gap. If the DOB analysis reveals that a DOB gap exists, the DOB gap must be satisfied (reduced to zero) prior to the execution of a Homeowner Grant Agreement<sup>10</sup>.

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 DCR 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 or replacement award, the DOB gap may be satisfied through a scope reduction which reduces the dollar value of the benefit provided to the applicant through the Program, as described in the sections below. Applicants who qualify for a repair award may not elect a scope reduction.

Applicants will be notified in writing if a DOB gap is discovered. Applicants will have **thirty (30) days** from the date the notification of the DOB gap was mailed to appeal the DOB gap determination, as set forth in Section 16 below, 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<sup>11</sup>.

#### *5.1.6.1 Scope Reduction for DOB Gap*

If the applicant qualifies for a repair award, and the DOB gap is discovered, the applicant *must* provide funds in the amount of the DOB gap to be deposited into a DOB gap funding account prior to executing a Program grant agreement. The Program will not proceed with award or Program-funded construction activities until the DOB gap is resolved. Given that rehabilitation will only bring the home back up to

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<sup>10</sup> Applicants who wish to contest a Program determination may request an initial appeal directly with the Program by submitting a written request in accordance to section 16 of this document

<sup>11</sup> Exceptions may be made on a case-by-case basis, in accordance with Section 17 of this document, for applicants who are able to satisfy the DOB after the 30-day timeframe has elapsed.

current code or Program standards, the scope reduction option to cover DOB gaps cannot be offered on rehabilitation projects.

If the applicant qualifies for a replacement or reconstruction award, and a DOB gap is discovered, the applicant shall either (1) provide funds in the amount of the DOB gap to be deposited into a DOB gap Funding Account prior to award and commencement of Program-sponsored construction and/or (2) opt for a scope reduction to select a lower-priced home than what the homeowner qualifies to receive from the Program<sup>12</sup>. The cost differential between the home for which an applicant qualifies and the lower priced home they select will be used to offset any DOB gap.

A scope reduction will not be available to the applicant if the reduction of scope results in overcrowding.

Overcrowding is defined as having more than two adults in a room (excluding couples), people of different generations in a room, and children of different sexes in the same bedroom.

Homeowner-provided funds that are deposited into the DOB gap funding account will count toward the Program award cap of \$450,000. All DOB gap funding will be drawn down first, prior to the use of Program funds.

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

#### **5.1.6.2 DOB Gap Exceeds ECR**

An applicant can meet the requirements for Program eligibility but not qualify for an award. If the previous benefits received by the applicant are greater than the estimated cost to complete the repair, reconstruction, or replacement project, the applicant would not have an unmet need and shall be deemed not eligible for assistance.

#### **5.1.7 Subrogation**

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

#### **5.1.8 DOB with Multiple Consecutive Disasters**

When multiple disasters strike the same area before an applicant has recovered from the first, there's a potential for duplicate assistance. HUD acknowledges that Duplication of Benefits (DOB) reviews in these cases may be complex—especially when the second disaster damages previously repaired property or destroys records showing how earlier aid was applied.

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<sup>12</sup> No scope reduction that causes an overcrowding issue will be authorized. Applicants who would experience overcrowding if a bedroom were removed via scope reduction are prohibited from electing a scope reduction which would create overcrowding.

In accordance with HUD's Universal Notice (90 FR 1754), HUD and DCR has adopted the following policy:

- Applicants do not have to maintain documentation of how they used public disaster funds (from federal, state, or local agencies) beyond the time period required by the agency that provided the funds.
- If documentation is unavailable, DCR may accept a self-certification stating how the funds were used.

Self-certification is acceptable only if:

- The applicant is informed of legal consequences for false claims or fraud.
- DCR verifies that the applicant's claimed needs align with documented disaster impacts (e.g., burn severity maps or damage assessments).

*Example: If a second disaster occurs three years after the first and the initial funding agency only required records to be kept for two years, DCR may accept self-certification. The same applies if records were lost due to the later disaster.*

## 6 Damage Assessment

As stated in the Universal Notice contained in FR-6489-N-01, CDBG-DR funds are intended to address unmet housing needs resulting from the qualifying event. Non-hurricane damage may only be addressed on structures that also have unrepaired hurricane-related damage. Structures built before 1978 must be inspected for lead-based paint (LBP) hazards. Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from LBP. Potential asbestos containing materials (ACM) will be identified by Program-assigned general contractors (GCs) during the preconstruction and/or construction phase. ACM will be removed/abated from structures and disposed of in accordance with state and federal requirements.

A damage assessment will be conducted at each property to confirm the property is an eligible structure type and to confirm the property sustained 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 sustained damage resulting from the qualifying event and the structure must be an eligible structure type. The damage assessment confirms both items. If it is discovered during damage assessment 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/property owner (if applicable). DRV amount will be considered during DOB review and may be used to offset DOB for eligible repairs. In instances where the property does not have any unrepaired storm damage remaining, the DRV could be utilized to determine the reimbursement amount to the homeowner in the event that phase of the Priorities is served.

Program staff will conduct site visits to observe and record the presence of unrepainted storm damage resulting from the qualifying event, determine the extent of the damage, and complete an ECR. The homeowner or the homeowner designee should be present for these site visits and allow access to the entire structure. The inspector will inspect the interior and exterior of the property to observe and record damage. The inspector will also complete an environmental questionnaire at the time of the damage assessment, noting any potential environmental concerns on the site or nearby that may need to be addressed during environmental review.

## 6.1 Valuation of Needed Repairs

The damage assessor will prepare an ECR, which provides a documented line-item by line-item estimate of the needed repairs observed during an onsite visit to repair the property to Program standards. The noted repairs must include unrepainted 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 considers an exact replacement of the property's original condition. 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. As such, hidden damage may not be 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.

Damaged or not-properly-functioning essential appliances in properties damaged by the qualifying event including the stove/range, oven, dishwasher, refrigerator, and water heaters are eligible to be replaced under the Program and will be considered during damage assessment. Appliances and housing components that are not integral to the structure of the home and are not essential to basic health and safety, such as washers, dryers, microwaves, stand-alone freezers, and detached garages and carports are not eligible to be replaced under the Program 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.

## 6.2 Valuation of Storm Damage Repaired Prior to Application

During the damage assessment, the assessor will also review any storm 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. The DRV may be considered during duplication of benefits review, to offset DOB if appropriate.

### 6.3 Lead Based Paint Risk Assessment and Asbestos Containing Materials (ACM) Survey

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

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 final ECR and feasibility analysis for repair versus reconstruction. Projects that will be reconstructed or replaced will result in the demolition and removal of the structure, and therefore any potential lead hazards associated with the structure. As such, no lead-based paint testing will be conducted on reconstruction or MUH replacement projects determined to be such at the time of the initial site inspection.

Federal asbestos regulations for testing and identification of asbestos containing materials (ACM) apply to “facilities” as defined by those regulations. The Program does not meet this definition and is therefore exempt from the testing and identification requirements. Program general contractors will be responsible for any identification, testing, and proper disposal of ACM in accordance with state and local requirements if encountered during construction.

## 7 Environmental Review

Environmental review is the process of reviewing a project to determine its potential to impact the environment in accordance with federal, state, and local requirements. 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.

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

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

During the environmental review, the Program may in its sole discretion 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 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 Case Manager will schedule a Homeowner Grant Agreement (HGA) signing event with each eligible applicant.

During the HGA signing event, the case manager will collect the reasonable accommodation request (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. Applicants will have up to thirty (30) days from the date of the award letter to satisfy utility arrearages.

The applicant must sign the HGA or appeal the award determination as set forth in Section 15 below, within **thirty (30) days** of the award letter being mailed or the case will be closed<sup>13</sup>.

Every executed HGA is subject to the continuing availability of CDBG-DR funds and all Program 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, Stick Built, Condo, or Townhome
- Estimated Cost to Repair
- Structure age
- Award Cap of \$450,000

Owner-Applicants may be awarded a repair, reconstruction, or MHU replacement award as part of the Program. Program award will not be made until the DOB gap, if applicable, has been reduced to \$0.00,

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<sup>13</sup> Exceptions may be made on a case-by-case basis for extenuating circumstances.

either via a scope reduction or by the applicant placing funds in the DOB gap account at DCR, or a combination of the two.

## 8.1 Award Caps

The maximum award granted to repair, reconstruct, replace, or reimburse any one owner-occupied structure is \$450,000<sup>14</sup>.

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.

### 8.1.1 Mitigation Activities that Include Improvement of Privately-Owned Roads or Bridges or Soil Stabilization

To support safe and sustainable housing recovery following Hurricane Helene, the Program may fund the repair or replacement of privately-owned roads and bridges or conduct soil stabilization activities when such activity is essential to access homes eligible for assistance. Driveways will be defined for the purpose of the Program as the area utilized from the public right of way to only one residence or from a privately owned road that provides multiple residences to the applicant's home. This policy currently only applies to the scenario where a driveway, private roads or bridges or soil stabilization activities provide access to a single residence. Privately owned roads or bridges providing access to multiple residences may be addressed in future policy and procedure updates.

Where a privately-owned road or bridge provides the sole means of access to a residential structure for which a homeowner has applied for CDBG-DR assistance, and that access route was damaged or destroyed as a result of the qualifying event, the cost to repair or replace the infrastructure may be added to the applicant's total project cost.

In the event soil stabilization is required to create a viable housing construction project, the Program may add the cost of the soil stabilization activities to the applicant's total project cost,

The award cap for the sum of the private road/bridge repair or replacement and the cost of the soil stabilization shall not exceed \$450,000 in aggregate without an approved Program policy exception.

Eligibility will be evaluated based on whether the work is necessary to complete the assisted housing activity and protect the federal investment in the property.

### 8.1.2 Historic Preservation

If reconstruction of a single-family owner-occupied property, located in, or adjacent to, a historic district would result in a historic preservation adverse effect finding, then a reconstruction award will not be offered to the applicant<sup>15</sup>. In cases where repair of a property is feasible and repair of the property would

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<sup>14</sup> Exceptions to program award caps may be made on a case-by-case basis.

<sup>15</sup> 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.

not result in a historic adverse effect, the Program may offer otherwise eligible owner-applicants a repair award of up to \$450,000. If it is determined that the property cannot be repaired and must be reconstructed and/or replaced and such reconstruction would result in an adverse effect, or if the repair will not alleviate the adverse effect, then the applicant will be deemed ineligible for Program assistance. Owner-Applicants whose hurricane-damaged properties may be reconstructed without historic preservation adverse effect finding may not elect to receive a repair award.

#### 8.1.3 Multi-Unit Structures:

Multi-unit structures (i.e. duplexes, triplexes or quadplexes) will not be considered for reconstruction awards under the single-family owner-occupied Program.

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

For cases where the owner occupies one of the units and multiple units within the structure need to be addressed, the Program will allow the owner to submit one (1) owner-applicant application for their unit. Additional units may be considered in other DCR CDBG-DR Programs pursuant to those Programs' eligibility criteria.

### 8.2 Reasonable Accommodation Requests

Physically disabled Owner-Applicants or Owner-Applicants with a disabled household member may be entitled to additional construction considerations such as low threshold showers, bathroom grab bars, outward swinging doors, exterior ramps, comfort height toilet with grab bars or other accessibility features that will assist with the individual's functional need. The Program will assess eligibility for these features on a case-by-case basis by way of a completed reasonable accommodation request form, which will be presented to applicants who have submitted a Verification of Disability form as part of the application or who request the form during the pre-construction meeting. Awards may include expenses for additional costs related to accessibility modifications for the disabled.

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

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

Reasonable accommodations are available for repair, reconstruction, and MHU replacement projects. Standard reasonable accommodations in the bathroom for certain repair or reconstruction award types are offered in three 'tiers' to allow each applicant to select the level of modification most appropriate for his/her household.

Standard reasonable accommodation for home entrance 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 there is a documented disability and need and if requested by the Applicant. 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.

Standard reasonable accommodation for strobe smoke detectors is standard for all award types. 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.

### 8.3 Repair

Eligible owner-applicants with stick-built properties qualify for a repair award type when the estimated cost to repair is less than 50% of the pre-storm value of the structure or \$100,000, whichever is lesser, and the property is not otherwise deemed “not suitable for rehabilitation”. Properties with an estimated cost to repair between \$75,000 and \$100,000 will be reviewed on a case-by-case basis to evaluate the risk of unforeseen conditions, which may result in an increased likelihood of change orders during the construction process. Specific conditions that may result in an increase of change orders may include, but are not limited to:

- Environmental mitigation requirements to be added to an approved scope of work (lead-based paint mitigation, asbestos containing materials mitigation, radon mitigation, etc).
- Structural deficiencies
- Plumbing or electrical system replacements (i.e., rewire)

Eligible applicants with MHU properties qualify for a repair award type when the estimated cost to repair is less than \$25,000 AND the MHU is fewer than five (5) years old, and the property is not otherwise deemed not suitable for rehabilitation.

#### 8.3.1 Not Suitable for Rehabilitation

The Program defines “not suitable for rehabilitation” as:

- The amount needed to bring the unit to housing habitability standards will exceed the Program cap.
- Condemned or tagged for demolition by local jurisdiction.
- Property owners have received a substantial damage letter from the jurisdiction having authority.
- The housing unit has been demolished.
- Structural assessment performed by a licensed engineer deems the home not safe for rehabilitation.
- The damaged home requires elevation to comply with Program flood mitigation requirements, or
- MHUs requiring more than \$25,000 in repairs.

Eligible applicants with properties 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.

### 8.3.2 Repair Scopes of Work

Program repairs are intended to repair the remaining storm damage and to make the property compliant with Program standards and to a decent, safe, and sanitary condition. The Program does not provide "like for like" repairs. The Program repairs will be completed using standard economy/builders' grade materials, not with materials that were there before. For example, if a repair award calls for replacement of cabinets, the Program will replace existing cabinets with standard grade cabinets, regardless of the grade of the pre-existing cabinets.

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

Standard essential appliances that are not functioning or non-existent at the time of damage assessment will be replaced. Essential appliances include stove/range, oven, water heater, and refrigerator only. Dishwashers may be replaced, only if a dishwasher previously existed in the home. Repair awards will not include a 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 the Program.

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

- Flooring replaced in portions of a property may not match flooring in other rooms. The Program 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 property may not match.
- If a portion of the property requires paint, paint in the repaired portion of the property may not match paint in other rooms (interior) or on other elevations (if exterior). The Program 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.

### 8.3.3 Reasonable Accommodations – Repair Award Type

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

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

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

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

#### 8.3.3.1.1 Bathroom Reasonable Accommodation 1 (RA-1)

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

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

#### 8.3.3.1.2 Bathroom Reasonable Accommodation 2 (RA-2)

Applicants who request Reasonable Accommodation 2 (RA-2) will be provided with 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

#### 8.3.3.1.3 Bathroom Reasonable Accommodation 3 (RA-3)

Applicants who request Reasonable Accommodation 3 (RA-3) will be provided with 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

#### 8.3.3.1.4 Kitchen Reasonable Accommodations

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

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

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

### 8.4 Reconstruction

Eligible owner-applicants with stick-built homes qualify for a reconstruction award type when the estimated cost to repair is greater than or equal to 50% of the pre-storm value of the structure or \$100,000, whichever is less. Properties with an estimated cost to repair between \$75,000 and \$100,000 will be reviewed on a case-by-case basis and may be deemed reconstruction projects if specific conditions including, but not limited to, environmental mitigation, structural deficiencies, plumbing or electrical systems replacement exist. Eligible applicants with properties otherwise deemed not suitable for rehabilitation may also qualify for a reconstruction award if the applicant owns the land and it is feasible to reconstruct the structure on the property.

Eligible owner-applicants with MHUs may qualify for reconstruction if it is infeasible to replace an MHU on the applicant's property and the applicant owns the land on which the MHU is situated. The Program considers it infeasible to replace an MHU if:

- The MHU must be elevated above the standard 3-foot installation height,
- If zoning or municipal regulations prohibit installation of an MHU on the property, or
- If other engineering, environmental, or site constraints make installation of an MHU onsite infeasible.

Wherever possible, the Program shall work to replace severely damaged MHUs or MHUs located on the owner's property with stick-built or modular housing units of appropriate size based on household size and other factors. This approach is grounded in the idea that the additional marginal cost associated with a permanent structure is justified given the ability to incorporate additional resilience and mitigation measures, provide greater value appreciation for the owner, and better address site-specific topographical considerations.

Properties that meet the threshold for a reconstruction award will be demolished and reconstructed in substantially the same footprint, when feasible. Reconstructed homes will meet HUD, State, and local building requirements and resilience measures to the extent possible.

#### 8.4.1 Size and New Unit Configuration

The Program will provide applicants who qualify for reconstruction awards with standard Program floor plan homes. The Program offers 2-, 3-, and 4-bedroom homes; all standard floor plans include 2 bathrooms. Reconstruction eligible applicants will be eligible to receive the same number of bedrooms

that were present in the hurricane-damaged property which was verified via the damage assessment up to a maximum of four (4) bedrooms.

If the standard floorplan offered, in addition to construction costs associated with site specific requirements, exceed the reconstruction award cap amount, the Program may offer the homeowner applicant a smaller floorplan (not limited to but including reducing square footage or reducing bedroom configuration) that will meet the reconstruction award cap amount if such reductions do not result in overcrowding. Exceptions to the reconstructed home bedroom/bathroom configuration will only be considered if overcrowding exists within the home or if an applicant elects to reduce the number of bedrooms and/or bathrooms to reduce a DOB gap. As it applies to homeowner applicants:

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

To reduce the required time from award to completion for reconstruction award types, the Program will provide plans and specifications for “model homes” available to applicants. **Standard floor plans are offered in the following square footage ranges only.**

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

Reconstructed homes do not include reconstruction of garages (attached or detached), sheds, pool houses, or other outbuildings. Such outbuildings may be demolished during reconstruction to allow enough space for the new home to be built or if such structures pose a health or safety concern. Attached garages are allowable when required by code or HOA requirements.

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

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

#### 8.4.2 Reasonable Accommodations – Reconstruction Award Type

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

- 36" hallways, wide enough to accommodate a standard wheelchair

- Adequate turning radius for a wheelchair in the kitchen
- Adequate turning radius for a wheelchair in one (1) bathroom<sup>16</sup>
- All doors installed with levers instead of knobs
- Exterior doors, master bedroom door, and master bathroom doors are 36" wide

In addition, an applicant who has submitted a Verification of Disability form may request reasonable accommodation in the bathroom, kitchen, and/or strobe smoke detectors throughout. On a case-by-case basis, an applicant with a Verification of Disability form and documented need may request reasonable accommodation for the entrance.

#### *8.4.2.1 Reasonable Accommodations – Bathroom*

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

##### *8.4.2.1.1 Bathroom Reasonable Accommodation 1 (RA-1)*

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

- Tub length of 60" and tub width of 36" in primary bath. Hallway bathtub is 60" x 30", with no seat<sup>17</sup>. Grab bars are installed near the tub/shower enclosure.
- Chair height toilet with grab bars

##### *8.4.2.1.2 Bathroom Reasonable Accommodation 2 (RA-2)*

Applicants who request Reasonable Accommodation 2 (RA-2) will be provided with 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

##### *8.4.2.1.3 Bathroom Reasonable Accommodation 3 (RA-3)*

Applicants who request Reasonable Accommodation 3 (RA-3) will be provided with 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

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<sup>16</sup> If the applicant requests a reasonable accommodation for the bathroom, the reasonable accommodation will be installed in the bathroom with adequate turning radius for a wheelchair, unless otherwise specified on the Verification of Disability Form.

<sup>17</sup> If a bathroom is removed for scope reduction this may vary.

#### *8.4.2.2 Reasonable Accommodations – Kitchen*

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

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

### **8.5 MHU Replacement**

Eligible applicants with MHU properties qualify for a replacement award type when the estimated cost to repair is greater than \$25,000 and/or the MHU is five (5) years old or older. Eligible applicants with MHUs on leased land must have landowner consent to replace an MHU on the land prior to award or must have identified a suitable alternate location. Homes that meet the threshold for a replacement award will be demolished and a new MHU will be installed in substantially the same footprint, when feasible. MHU projects that require elevation may be awarded reconstruction and will follow the Reconstruction requirements outlined in Section 8.4 above.

#### **8.5.1 Size and New Unit Configuration**

The Program will provide applicants who qualify for a replacement award with a 2, 3, or 4-bedroom singlewide or doublewide MHU; all bedroom configurations include two (2) bathrooms. MHU replacement eligible applicants will receive a new MHU matching the same number of bedrooms present in the hurricane-damaged property up to a maximum of four (4) bedrooms, as verified by the damage assessment. After-market additions shall be considered when determining the width or number of bedrooms in the hurricane-damaged MHU (i.e., if a 3<sup>rd</sup> bedroom was added on to a single-wide 2-bedroom MHU, the home will be considered a 3-bedroom, single-wide MHU). Exceptions to replacement MHU bedroom configuration will only be considered if overcrowding exists within the home or if the applicant elects to reduce the number of bedrooms via scope reduction to reduce or eliminate a DOB gap.<sup>18</sup>

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

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

- If the hurricane-damaged MHU was a singlewide, the applicant would receive a singlewide.

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<sup>18</sup> If there is an overcrowding circumstance, the Program may allow for a 5 bedroom/2-bathroom Doublewide floorplan, not to exceed 4 bedroom/2-bathroom Doublewide square footage; however, if this option does not alleviate the overcrowding circumstance the application will be deemed ineligible.

- If the hurricane-damaged MHU was a doublewide, triple wide, or larger width configuration, the applicant would receive a doublewide.

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

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

Program replacement MHUs do not include replacement or reconstruction of garages (attached or detached), sheds, pool houses, carports, or other outbuildings. Such outbuildings may be demolished during construction to allow ample space for the new MHU to be delivered/installed or because such structures pose a health or safety concern. However, the Program will comply with all community association requirements, covenants, and Authority Having Jurisdiction (AHJ) requirements such as a mobile home park that requires a carport or shed.

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

- Interior or exterior finishes.
- Square footage.
- Manufacturer of the hurricane-damaged unit.
- Number of bathrooms (if more than 2).
- Extra/Bonus rooms such as dens, playrooms, offices, etc.
- After market additions such as additional rooms or covered porches.

### 8.5.2 MHU Relocation

The Program allows for replacement of an MHU in an alternate location only when replacing the MHU in the same location as the hurricane-damaged MHU is not feasible or prohibited. MHU relocations may be considered under the following circumstances:

- If an otherwise eligible applicant does not own the land on which the hurricane-damaged MHU is situated, and the landowner does not consent to a new unit being replaced on the land.
- If MHU must be elevated above the standard 3-foot installation height.
- If zoning or municipal regulations prohibit installation of a MHU on the property; or

- If other engineering, environmental, or site constraints make installation of an MHU onsite infeasible.

The Program does not provide replacement property for applicants. To be allowed to replace an MHU on an alternate property, the applicant must source and obtain ownership or permission to install an MHU at the alternate location. Alternate locations must be zoned to allow for installation of an MHU, have ready access to sewer, water, and electric connections, and must not be in a 100-year or 500-year floodplain. **Alternate MHU sites must pass an environmental review before the applicant makes a binding commitment to lease or purchase land. If an applicant enters into a binding agreement to lease or purchase alternate land before the Program has environmentally cleared the alternate parcel, the applicant may be ineligible for assistance, as this constitutes a choice-limiting action.**<sup>19</sup>

#### 8.5.3 Reasonable Accommodations – MHU Replacement Award Type

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

### 8.6 Reimbursement

Reimbursement will constitute Phase 3 of the Program, will only be available to applicants at or below 80% Area Median Income (AMI), and will only be implemented after the managed construction process under Phases 1 and 2 have addressed all applications eligible for funding<sup>20</sup>.

Applicants who meet the eligibility and other Program requirements may be awarded funds to reimburse for repairs or reconstruction incurred after the date of the disaster declaration and completed within two (2) years after the applicable date of the grantee’s initial Award Allocation Notice (AAN), (published January 8, 2025; applicable January 13, 2025) and paid for by the applicant prior to the submission of their application to the Program. **Applicants whose repairs or reconstruction are completed after Program application submittal are ineligible for reimbursement.**

Prior to receiving a reimbursement award, Applicants must conform with all required environmental mitigation factors upon completion of their construction activities including, but not limited to, the following examples:

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<sup>19</sup> 24 CFR 58.22(a) Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in § 58.1(b) on an activity or project until HUD or the state has approved the recipient's RROF and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in § 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

1. Confirmation that construction permits were obtained and properly closed/signed off to demonstrate that work was completed in accordance with local code requirements.
2. Confirmation that construction activities completed on a substantially damaged home located within the FFRMS floodplain satisfies the Program's elevation standards for flood mitigation.
3. Confirmation of Lead Based Paint (LBP) clearance certification demonstrating that the home is free of lead hazards at the completion of construction activities.

## 9 Pre-Construction

After the Homeowner Grant Agreement (HGA) is executed, the case enters the “pre-construction” phase. During the pre-construction phase of the Program, several key activities take place which 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:** The Program assigns a Program-qualified General Contractor (GC) to complete the construction project.
- **Survey and Design:** The assigned General Contractor will arrange for a property survey and engineering design for the project, as applicable.
- **Cost Estimate:** The assigned General Contractor will visit the project site to finalize a cost estimate.
- **Pre-Construction Meeting:** The Program will host a meeting with the applicant to review key items as related to construction.
- **Permitting:** The assigned General Contractor will obtain all permits required to complete the assigned construction scope of work; and
- **Homeowner Moveout and Utility Disconnection:** Most homeowners will be required to temporarily move out of the hurricane-damaged property for construction to take place. If applicable, homeowners must also arrange for utilities at the property to be disconnected.

### 9.1 Contractor Selection and Assignment

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

The Program will assign projects to general contractors based on the general contractor's performance history on Program construction projects and the general contractor'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. General Contractor 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.

## 9.2 Survey and Design

Assigned general contractors are responsible for completing property surveys, obtaining elevation certificates (if necessary), and any additional inputs required for site-specific engineering and design activities including, but not limited to, geotechnical analyses, septic system evaluations, water well evaluations, drainage analyses, radon testing, and ACM surveys. Most reconstruction and project types will require property boundary surveys to determine placement of the new property on the site within municipal set back boundaries. Repair and replacement projects may require survey and engineering documents depending on the local jurisdiction requirements and the Program scope of work assigned. The GCs will be responsible for ensuring all local requirements are satisfied during their permitting and construction activities.

## 9.3 Cost Estimate

The Program developed construction standards are incorporated into the pricing for each of the three (3) award types offered. All costs incurred by the Program must follow the Cost Principles outlined at 2 C.F.R. Part 200, Subpart E. When a contractor is selected, the Program provides the contractor with a preliminary scope of work.

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

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

## 9.4 Pre-Construction Meeting

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

- **Applicant Responsibilities during Preconstruction and Construction:** Applicants and General Contractors will be provided with a written document outlining applicant responsibilities during both preconstruction and construction.
- **Homeowner Moveout and Utility Disconnection:** If required, the General Contractor and homeowner will agree upon a date by which the homeowner must vacate the hurricane-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 the actions he/she must take to prepare 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 hurricane-damaged property which remain on the site thirty (30) days after pre-construction meeting may be demolished and the Program will not replace them.**
- **Scope of Work:** The General Contractor will present the applicant with a copy of the Program-approved scope of work. If the project is a MHU replacement or reconstruction, the scope of work shall include a copy of the floorplan being offered.
- **Reasonable Accommodations:** The General Contractor will confirm any reasonable accommodations included in the approved scope of work with the applicant.

## 9.5 Permitting and Code Compliance

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

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

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

General Contractors must demonstrate code compliance to pass a final Program inspection. For new construction, reconstruction, or MHU replacement projects, code compliance will be confirmed via a

Certificate of Occupancy (or equivalent), issued by the authority having jurisdiction. For repair projects, code compliance will be confirmed via Certificate(s) of Completion (or equivalent), as applicable, issued by the authority having jurisdiction. Certificate(s) of Completion issued for repair projects may vary, depending on the scope of work completed by the Program.

## 10 Construction

### 10.1 Elevation Standards

The Program will follow HUD guidance to ensure all structures, as defined in 44 C.F.R. 59.1, designed principally for residential use, and located in the FFRMS floodplain, that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 C.F.R. 55.2(b) (12), will be elevated with the lowest floor, including the basement, at least two (2) feet above the Base Flood Elevation (BFE). If local elevation requirements exceed those required by HUD, the more stringent requirement shall apply. The Program will order elevation certificates for construction projects where necessary to comply with HUD's guidance. The Program will not engage in elevation activities as a standalone measure that is not connected to the repair damage caused by qualifying event(s).

### 10.2 Eligible Construction Activities

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

Program scopes of work may include:

- **Repair/Rehabilitation work:** Repair/rehabilitation work includes items required to complete repair or rehabilitation of a portion of a property. Repair/rehabilitation work is intended to repair storm damage and bring the damaged structure into compliance with Program construction standards.
- **Reconstruction:** Reconstruction consists of the demolition, removal, and disposal of the hurricane-damaged structure, followed by construction of a new property in substantially the same footprint as the hurricane-damaged structure. Reconstruction work will be conducted in accordance with federal, state and local building codes and requirements. No custom designed homes are authorized unless to specifically address constrained lot conditions.
- **Manufactured Housing Unit (MHU) Replacement:** MHU replacement consists of the demolition, removal, and disposal of the hurricane-damaged MHU, followed by installation of a new MHU in substantially the same footprint as the hurricane-damaged MHU. MHUs provided by the Program must be HUD certified and will be purchased and installed in accordance with state and local building and zoning regulations. MHUs are offered in 2, 3, and 4-bedroom configurations, all with 2 bathrooms. Singlewide and doublewide MHUs are offered. MHUs will be sourced and offered by the General Contractor, in accordance with Program size and configuration guidance. Applicants are not permitted to select the MHU.
- **Site work:** Site work includes site-specific construction activities necessary to complete the project that are not related to the structure itself. Site work includes, but is not limited to activities

such as flatwork, grading, septic tank repair/replacement, well repair/replacement, installation of sod, tree trimming or tree removal, private road and bridge repairs, land stabilization, etc.

- **Environmental Mitigation:** Environmental mitigation activities are those environmental activities identified by the Program or the General Contractor that must be addressed in order to deliver a decent, safe, and sanitary property. Environmental mitigation activities may include, but are 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 require specific construction or design measures to prevent an adverse effect on a historic or cultural resource, such activities may be included in the Program scope of work.
- **Reasonable Accommodations:** Scopes of work for applicants with duly approved reasonable accommodation requests will include items associated with the approved reasonable accommodation(s). Reasonable accommodations may include items such as widened doorways, ramps, grab bars, etc. To be included in a Program scope of work, the applicant must have presented adequate documentation of a disability for him/herself or a household member, and the reasonable accommodations request form must be approved prior to construction start.
- **Essential Appliances:** Essential appliances, which include stove/range, oven, water heater, dishwasher, and refrigerator are included in Program scope of work for all reconstruction and replacement award types. Scopes of work for repair award types will include replacement of essential appliances, only if the essential appliances are damaged, in non-working order, or non-existent at the time of damage assessment<sup>21</sup>. Appliances provided will be of standard, economy grade and energy efficient. Luxury appliances will not be provided.
- **Smoke and Carbon Monoxide Detectors:** All assisted homes will be equipped with smoke and carbon monoxide detectors, in accordance with local code requirements.
- **Mitigation Measures:** Measures to make homes more resilient in the face of future disasters, such as, but not limited to, roof strapping or elevation, may be included in Program scopes of work.

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

The Program does not offer like-for-like replacement of preexisting conditions or materials. All construction work completed by the Program will be completed using standard, builder-grade materials, regardless of pre-existing materials. Applicant-requested upgrades, additions, or modifications to

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<sup>21</sup> Dishwashers will only be replaced in repair award projects if the storm-damaged home contained a dishwasher that is damaged. Dishwashers will not be added in repair projects where the storm-damaged home did not have a dishwasher.

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.

#### **10.2.1 Exacerbated Damages**

To the extent that damages resulting from Hurricane Helene are exacerbated by circumstances beyond the applicant's control before the repair/rehabilitation or reconstruction of the hurricane-damaged structure is completed, the Program may fund the repair, rehabilitation, reconstruction, or replacement of the damaged property.

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

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

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

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

#### **10.3 Construction Warranty**

All construction work completed by the Program will be accompanied by a two (2) 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 and rehabilitation projects cover all Program-repaired scope items. For example, if a repair project did not include scope of work related to structural repairs, mechanical, electrical, or plumbing, those warranties may not apply.

The General Contractor is responsible for providing the warranty and addressing any valid warranty issues which arise during the two (2) year coverage period. If an applicant chooses to make modifications, additions, or to otherwise affect or alter any Program-assisted item during the two (2) year warranty period, the warranty will be void and the General Contractor will not be responsible for any repairs.

#### **10.4 Construction Progress Inspections**

All Program 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 Program-approved scope of work and that work is of sufficient quality. Program inspectors are not municipal code inspectors and Program inspections do not supersede required municipal code

inspections. General contractors are responsible 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).

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

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

The Program will not offer punch list inspections as all work is required to be complete on the project to pass a final inspection.

#### **10.4.1 Repair/Rehabilitation Award Type Inspections**

For a repair project to pass a 50% construction inspection, items totaling 50% or more of the dollar value of the scope of work must be completed. General Contractors may request a 50% inspection for a repair project when the General Contractor believes the 50% threshold has been met or exceeded. General Contractors are required to provide photo documentation of work completed and enclosed, when applicable, for the item to pass inspection. 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 have been painted over,
- Installation of insulation in exterior walls that have sheet rock installed,
- Installation of new subfloor,
- Installation of new radiant barrier sheathing if conducting roof replacement,
- Completion of anti-microbial spray, or
- Installation of replaced plumbing supply/waste lines or valves located within walls.

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

- Certificate(s) of Completion (or equivalent), issued by an authority having jurisdiction on site for all permits issued for the project.
- All site work is completed.
- 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 have 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 Program-approved cost estimate and any duly authorized change orders is complete and of sufficient quality.
- All utilities are reconnected and functional.
- All essential appliances are properly installed and function as intended.
- If the Program-assisted structure is in the FFRMS floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is constructed at or above the more stringent of HUD, FEMA, or local code requirements.
- Warranty issued for two (2) years and warranty booklet present in the home; and
- If the home was built prior to 1978, a post-construction, passed lead-based paint clearance report.
- If ACM abatement was required, clearance certification of proper removal and disposal will be required.
- If required, radon test results demonstrating the radon concentrations within the home are below action levels will be required.

#### 10.4.2 Reconstruction Award Type Inspections

For a reconstruction project to pass a 50% inspection, all 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 property has been demolished and debris from the damaged property has been removed from the site and disposed of at an accredited facility to accept such waste.
- Foundation is complete.
- Framing is complete and evidence of a passing municipal framing inspection is on site.
- Roof complete.
- Exterior siding complete.
- Windows installed; and
- Mechanical, electrical, and plumbing rough-ins complete, with evidence of a passing municipal inspection on site.

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

- Certificate of Occupancy on site.
- All site work completed, including final grading, flatwork, and sod installation.
- All construction complete and of good quality in accordance with Program-approved floor plan, scope of work, and any duly authorized change orders
- Address numbers are installed on the front of the property.
- All utilities reconnected and functioning.
- All appliances are properly installed and functioning as intended.

- If the Program-assisted structure is in the FFRMS floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is constructed at or above the more stringent of HUD, FEMA, or local code requirements;
- If ACM abatement was required, clearance certification of proper removal and disposal will be required.
- If required, radon test results demonstrating the radon concentrations within the home are below action levels will be required, and
- Warranty is issued for two (2) years and warranty booklet present in the home.

#### 10.4.3 MHU Replacement Award Type Inspections

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

- Hurricane-damaged MHU has been demolished and removed from the property and disposed of at an approved facility; and
- Replacement MHU has been delivered to the site.

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

- Certificate of Occupancy on site.
- All site work completed, including final grading, flatwork, and sod installation.
- All construction is complete and of good quality in accordance with the Program-approved floor plan, scope of work, and any duly authorized change orders.
- Address numbers are set on the front of the home.
- All utilities reconnected and functioning.
- All essential appliances are properly installed and function as intended.
- If ACM abatement was required, clearance certification of proper removal and disposal will be required.
- If required, radon test results demonstrating the radon concentrations within the home are below action levels will be required.
- If the Program-assisted structure is in the FFRMS floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is constructed at or above the more stringent of HUD, FEMA, or local code requirements.
- Warranty issued for two (2) years and warranty booklet present in the home; and
- Title for the new MHU is issued in the applicant's name and evidence of title retirement of damaged/removed MHU.

#### 10.5 Change Orders

From time to time, it may be discovered that the construction scope of work originally approved by the Program must be altered to deliver a decent, safe, and sanitary property within acceptable timeframes. The Program allows for the use of change orders to modify the Program-approved scope of work. Change orders will typically be initiated by the General Contractor. Change order submissions must substantiate

the need for the change order and demonstrate that costs associated with the change order are reasonable. Change orders initiated by the applicant will not be considered under any circumstance.

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

## 11 Applicant Responsibilities

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

### 11.1 Flood Insurance

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

Section 582 of the National Flood Insurance Reform Act mandates that DCR 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 DCR 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 Program assisted properties located within a FFRMS floodplain must submit proof of flood insurance prior to receiving keys to the assisted property. The Program may purchase flood insurance coverage for one year following provision of Program assistance.

To ensure that recovery resources are prioritized for households with the greatest financial need, the Program is prohibited from providing future housing assistance to applicants located within the Federal

Flood Risk Management Standard (FFRMS) floodplain served under the Hurricane Helene Programs who do not obtain and maintain flood insurance policies into perpetuity.

If a property located in the FFRMS floodplain is damaged during a future disaster and the owner did not have flood insurance at the time of the future event, the future Program will not provide assistance for rehabilitation or reconstruction.

## 11.2 Applicant Cooperation with the Program

Throughout the life of an applicant's participation in the Program – 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**.

The Program 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 to proceed and that if the applicant does not complete the required action within **thirty (30) days from the time the Pending Action Notice is mailed**, the applicant's case will be closed<sup>22</sup>. 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. The Program will make reasonable attempts to coordinate schedules with applicants' availability. Applicants who refuse to schedule or attend required meetings or inspections may be sent a Pending Action Notice.
- **Homeowner Moveout:** Homeowner-Occupant Applicants are required to move out of the hurricane-damaged property within **thirty (30) days** of the pre-construction meeting so that construction may begin. Applicants who do not move out of the hurricane-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 hurricane-damaged property site of debris and/or personal property in a timely manner will be sent a Pending Action Notice.

Applicants who do not take the required action(s) within **thirty (30) days** of the Pending Action Notice will be closed. Applicants who require assistance, clarification, or an extension to the **thirty (30) day**

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<sup>22</sup> Exceptions may be made on a case-by-case basis, in accordance with Section 17 of this document, for applicants who are able to satisfy the Pending Action Notice after the 30-day timeframe has elapsed.

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.

### **11.3 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 six (6) consecutive unsuccessful attempts to contact an applicant with no follow up contact from the applicant, the applicant will be sent a Non-Responsive Notice. 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 they 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. If the application is closed, the applicant must submit a request for a Program policy exception to the Program which will be reviewed and adjudicated on a case-by-case basis. 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.

### **11.4 Temporary Relocation During Construction Activities**

Properties assisted by the Program must be vacant and empty of personal belongings during construction. Land/area surrounding the hurricane-damaged property must also be cleared of any debris, vehicles, derelict personal property, etc. Owner-Applicants must move out of the hurricane-damaged property and remove all personal belongings and derelict personal property on site within **thirty (30) days** of the pre-construction meeting. The Program does not pay for storage of personal property or temporary lodging accommodations, except for extreme circumstances approved by DCR.

By signing a Homeowner Grant Agreement and accepting a Program award, the Owner-Applicant affirms that they have arranged for temporary housing during the construction period. Owner-Applicants who are unable or unwilling to vacate the hurricane-damaged property and remove all personal belongings in a timely manner may be sent a Pending Action Notice. Applicants who fail to vacate the structure and remove all personal belongings within **thirty (30) days** of the Pending Action Notice will be closed. If the application is closed, the applicant must submit a request for a Program policy exception to the Program which will be reviewed and adjudicated on a case-by-case basis.

Lawful tenants of assisted properties may qualify for relocation assistance if they must relocate during Program-sponsored construction activities, as provided under the Uniform Relocation Act, and further described in the Uniform Relocation Act section of this document<sup>23</sup>.

### **11.5 Applicant Responsibilities During Construction**

The construction phase begins when the applicant and co-applicant (if applicable) signs the Homeowner Grant Agreement and ends when the keys to the Program-assisted property are presented to the applicant. Applicant responsibilities during construction include but are not limited to those below.

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<sup>23</sup> All applicants are required to disclose information about any and all tenants who reside(d) at the storm damaged property from the time of the storm through present at application intake.

- (i) The Applicant understands if the amount of previous assistance received minus offsets to benefits is greater than \$0.00, that creates a DOB gap. The Applicant understands the DOB gap must be satisfied (reduced to zero) prior to the execution of a Homeowner Grant Agreement. The DOB gap funding will be used in conjunction with CDBG-DR funds to complete the rehabilitation, reconstruction, or replacement of their home.
- (ii) The Applicant acknowledges that once a grant agreement is executed, they waive any future right to appeal or otherwise contest the determinations of eligibility, award type, scope of work, results of all inspections, and funding requirements (including DOB gap calculation and any DOB gap funding requirement). From the effective date of the grant agreement, all decisions by DCR, or its contractors, are final and non-appealable.
- (iii) Applicants must vacate the hurricane-damaged property and remove all personal belongings from inside the structure and the surrounding area. The homeowner has thirty (30) days from the date of the pre-construction meeting, to remove all personal property from their residence. Applicants are responsible for the costs associated with removal and storage of their belongings. The Program is not responsible for any damage to or loss of belongings during construction.
- (iv) If provided with on-site storage units, the Applicant will be required to remove all belongings from the onsite storage units within fourteen (14) days of completion of key turnover. The units will be removed by the contractor after fourteen (14) days post-key turnover. When feasible, Applicants must put down a credit card with the storage container company and assume financial responsibility for the storage units after fourteen (14) days. If this is not feasible for any reason, any items remaining in the units after fourteen (14) days will be removed from the units and placed on the homeowner's property so the units can be removed.
- (v) The Applicant understands the necessary scope of work is based on a scope of work approved by DCR and using economy/standard grade building materials and not the price of replacing the damaged property or its components with like or similar materials. The Program will provide standard construction plans. The property will be built or repaired in accordance with the approved scope of work. The Applicant cannot request any customization or changes to the approved scope of work unless requesting an allowable reasonable accommodation.
- (vi) Applicants must coordinate with their assigned General Contractor to sign any required permitting documents in a timely manner.
- (vii) The property owner must allow the General Contractor and Program representatives full access to the property until construction is complete, and the property owner is authorized to move back into the property.
- (viii) The property owner must allow inspections to be performed by Program representatives and municipal code inspectors. In the event the property owner must be present or provide access to the hurricane-damaged property, the property owner must coordinate with the Program and schedule in a timely manner.
- (ix) The property owner must remove and/or secure any animals or pets that remain on property during construction. The Program will not cover costs associated with removal and/or boarding of animals during construction. Homeowners will be responsible for animals, their well-being, and any damage caused by animals remaining onsite during construction.

- (x) The property owner must not interfere with the project site. For safety reasons, property owners must stay away from the hurricane-damaged property during construction. Property owners will not be permitted to direct Program construction activities or provide instructions to the general contractors on means and methods of construction.
- (xi) All debris, abandoned vehicles, and buildings that impede construction efforts, permitting efforts, or otherwise 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 within thirty (30) days of the pre-construction meeting. Any debris or site condition captured in a municipality issued code violation that impedes permitting or construction activities must be remedied within thirty (30) days of the pre-construction meeting. Failure to remove personal belongings or any other debris from the property within thirty (30) days of the pre-construction meeting may result in the application being closed.
- (xii) 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.
- (xiii) The Applicant is responsible for all utility bill payments throughout the duration of the Program. Applicants must keep current on all utility bills during construction, as accounts must be current in most cases for the utility company to reconnect/reinstate services.
- (xiv) The Applicant understands that the Program will not pay the cost of mortgage payments and/or lot rent, if applicable. It is the owner-applicant's sole responsibility to ensure mortgage or rent payments are paid throughout the duration of construction.
- (xv) The Applicant understands that once the Program is complete with construction efforts, the appraised value of their property may increase. As a result, the property taxes owed by the Applicant for the property may increase because of Program participation. However, the use of energy efficient building materials and appliances may decrease utility costs.
- (xvi) The Applicant understands that they are required to occupy the home for three (3) years following completion of construction. The applicant understands if they sell the home or discontinue use of the home as their primary residence within the three (3) year compliance period, they may be subject to repay all or a portion of the grant amount<sup>24</sup>.
- (xvii) Applicants using threatening or abusive behavior towards Program staff, which may include, but is not limited to, the use of profanity, derogatory language, and threats of physical violence, will not be tolerated. Ongoing and/or severe abusive behavior may result in termination of the Program award, and the Applicant may be subject to repay any Program funds expended on the project.
- (xviii) If reasonable and timely access to the property is denied by the Applicant or if any of the above stipulations are not met, the Program may terminate the award, and the Applicant will be required to repay any Program funds expended on the project.

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<sup>24</sup> Exceptions may be made on a case-by-case basis for extenuating circumstances.

## 11.6 Compliance Period

Applicants assisted under the Program must agree to the terms of the compliance period associated with their award. DCR will periodically monitor applicants throughout the compliance period. Applicants may be asked to demonstrate that they are still in compliance at any time during the compliance period.

### 11.6.1 Renew NC Single-Family Housing Program Compliance Period

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

If a homeowner-occupant applicant sells the home or discontinues use of the home as a primary residence within the **three (3) year** compliance period, the applicant may be subject to repay all or a portion of the grant amount. The amount of benefit that is subject to repayment if the applicant breaks the terms of the compliance period will be determined by straight-line, linear, annual amortization schedule of the grant over the three-year compliance period. The table below outlines the repayment schedule should the applicant sell the property or fail to occupy the home as a primary residence during the three (3) year compliance period<sup>25</sup>.

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

The Program may grant forgiveness of the compliance period terms in the following extenuating circumstances:

- If the applicant dies during the compliance period, the terms of the compliance period are forgiven. Surviving family members or heirs are not responsible for upholding ownership or primary residence requirements.
- If the applicant is transferred or deployed due to military service for a period that would prevent him/her from upholding ownership and primary residence occupancy of the hurricane-damaged home, the applicant is expected to notify DCR of the deployment or transfer. Compliance period requirements will be forgiven upon notification by the applicant to DCR.
- If the applicant must be moved to a permanent healthcare facility or nursing home due to health conditions, the applicant or applicant's designee is expected to notify DCR. Compliance period requirements will be forgiven upon notification by the applicant to DCR and proof of permanent displacement if provided to the Program.
- If the applicant is incarcerated for a period that would prevent him/her from upholding ownership and primary residence occupancy of the hurricane-damaged home, the applicant or applicant's

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<sup>25</sup>Exceptions may be made on a case-by-case basis for extenuating circumstances.

designee is expected to notify DCR. Compliance period requirements will be forgiven upon notification by the applicant to DCR and proof of incarceration is provided to the Program.

## 11.7 Recapture

Rare instances may arise where an applicant must return all or part of the funding awarded 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 a DOB does not occur and that applicants are compliant with Program requirements and federal guidelines. If an applicant has been identified as receiving 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 the Program may appeal the determination within **thirty (30) days** of receipt of the Repayment Notification pursuant to Section 16 below. If the applicant's request is denied or there is failure on the part of the applicant to contest within the allotted timeframe, the Program will proceed with collecting the repayment amount. If the applicant's request results in a revision of the award amount or eligibility, the applicant will sign a revised Homeowner Grant Agreement which will outline the requirements related to such changes and the requirements for repaying the remaining overdue amount, if any.

Once it has been determined that the applicant must return funds to the CDBG-DR grant fund, the applicant must repay their funds in a timely manner. All repayments shall be expected to be repaid in full as one lump sum amount. The Program will review any applicant claims of financial hardship and may make limited accommodation 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. Recaptured funds are not considered Program income.

## 11.8 Program Income

If Program income is generated, DCR will follow the HUD-approved Program income policies governing its management of the single-family Program; including, but not limited to, the authorized use of Program income, compliance with administrative caps, accurate and timely reporting, maintenance of detailed accounting records, and proportional allocation within the overall Program budget.

### 11.8.1 Special Circumstances

In accordance with the Universal Notice (FR-6489-N-01)<sup>26</sup>, HUD has established specific circumstances as situations when collection is not necessary. HUD has determined that is not in the best interest for the Federal government to collect a DOB in the following circumstances:

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<sup>26</sup> FR-6489-N-01, Appendix C <https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR/Updated-6489-N-01-CDBG-DR-UN-Compliance-with-Memo-25-02-English-PDF.pdf>; and [CDBG-DR-Policy-Bulletin-2025-01-HUD-DOB-Collection-Policy-English-PDF](https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR-Policy-Bulletin-2025-01-HUD-DOB-Collection-Policy-English-PDF)

- The duplicative assistance was received by low-moderate-income beneficiaries that, after the receipt of the CDBG-DR assistance, are:
  - Deceased
  - Subject to a foreclosure action on a property rehabilitated, constructed, or reconstructed with CDBG-DR funds
  - A debtor in a bankruptcy proceeding or who recently exited a bankruptcy proceeding (or similar proceeding for insolvent debtors under State law, such as an assignment for the benefit of creditors).

## 12 Voluntary Withdrawal

An applicant may request to voluntarily withdraw from the Program at any time. If an applicant chooses to withdraw after construction has begun, the applicant will be subject to repayment of Program funds expended. Applicants are to document withdrawal requests in writing; the Program will document these requests in the case file. However, if an applicant cannot or will not document his or her request to withdraw, a detailed case note may be used to support the applicant's withdrawal request. All applicants who choose to withdraw will be sent a Voluntary Withdrawal Notice. The Voluntary Withdrawal Notice informs the applicant that the Program 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 withdrawn. If an applicant voluntarily withdraws from the Program, they will not be eligible to reapply.

## 13 Fraud, Waste, and Abuse

DCR, 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 FR-6489-N-01, DCR implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all Programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

### 13.1 Reporting Fraud

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

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

#### Reporting Fraud, Waste, and Abuse

Agency	Phone	Email/Online Form	Address
NC Department of Commerce	984-236-5999	<a href="mailto:oiarequest@commerce.nc.gov">oiarequest@commerce.nc.gov</a>	N/A

<b>NC Office of State Budget and Management</b>	N/A	<a href="mailto:FWA@osbm.nc.gov">FWA@osbm.nc.gov</a> <a href="#">Report Fraud Waste Abuse</a>	C/O Office of Internal Audit 20320 Mail Service Center Raleigh, NC 27699-0320
<b>HUD Office of the Inspector General</b>	1-800-347-3735	<a href="#">Report Fraud, Waste, and/or Abuse</a>	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
<b>US Treasury Office of the Inspector General</b>	202-927-0650	<a href="#">Report Fraud, Waste, and Abuse</a>	N/A

## 14 Complaints

Applicants may submit a complaint to the Program at any time. In accordance with the guidance outlined in FR-6489-N-01, the Program 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**, the Program will notify the complainant of the need for additional time and an estimated resolution/response timeframe.

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

- Via Email: [housingcomplaint@RenewNC.org](mailto:housingcomplaint@RenewNC.org)
- In Writing: Renew NC Single-Family Housing Program  
364 US Hwy 70, Suite 3  
Marion, NC 28752

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: 888-791-0207
- In person at any Program service center

## 15 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<sup>27</sup> 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.

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<sup>27</sup> Postal mail must be postmarked within 30 calendar days from the date of determination being contested.

- Program Scope of Work; or
- Recapture Amount.

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

- Via the web portal at [www.RenewNC.org](http://www.RenewNC.org)
- Via Email: [appeals@RenewNC.org](mailto:appeals@RenewNC.org)
- In Writing: Renew NC Single-Family Housing Program  
364 US Hwy 70, Suite 3  
Marion, NC 28752

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

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

All appeal determinations made by DCR 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.

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

- Via Email: [DCR.Appeals@commerce.nc.gov](mailto:DCR.Appeals@commerce.nc.gov)
- In Writing: North Carolina Department of Commerce  
4346 Mail Service Center  
Raleigh, NC 27699-4346  
Attention: Division of Community Revitalization Appeals

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

Program requirements established by DCR 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.

## 16 Exceptions to Program Policies

The Program policies and procedures set forth the policy governing the Program and approved Standard Operating Procedures set forth the procedures by which policy will be enacted. The Policies and Procedures and the SOPs are intended to guide Program activities and enforce compliance with applicable federal regulations. While Policies and Procedures 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 DCR. The case-by-case analysis may consider an applicant's remaining unmet need and would include documentation of cost reasonableness to confirm costs incurred are necessary and reasonable. Exceptions may be granted to Program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

## 17 Single-Family Website Maintenance

The Single-Family Housing Program, in coordination with the DCR maintains a dedicated disaster recovery website at [www.commercerecovery.nc.gov](http://www.commercerecovery.nc.gov) to promote transparency and public awareness of the State's Community Development Block Grant–Disaster Recovery (CDBG-DR) efforts. This site serves as the central repository for key information related to CDBG-DR Programs, including but not limited to HUD-approved Action Plans and Amendments, Quarterly Performance Reports (QPRs), the Citizen Participation Plan, procurement policies and notices, executed contracts, and details on housing-related activities such as reconstruction, rehabilitation, mobile home replacement and reimbursement. All documentation is managed in accordance with the HUD-approved Website Maintenance Policy to ensure accuracy, compliance, and consistent updates throughout the life of the grant.

## 18 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 DCR, or of any designated public agencies, or of subrecipients that are receiving funds under the Program (collectively, "Public Servant") may obtain a financial or personal interest or benefit that is, or could be, reasonably incompatible with the public interest, either for themselves or a member of their family during their tenure.

For purposes of this section, "family" is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 2 C.F.R. § 200.112, 24 C.F.R. §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 DCR, the Program or Program officials, their employees, agents and/or designees, or family members from receiving assistance from the Program. On a case-by-case basis, DCR, the Program 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 policies and procedures and it is determined that a conflict of interest does not exist.

Applicants must disclose their relationship with any public servant(s) at the time of their application, if applicable. Any relationship reported between an applicant and public servant will be evaluated by the Program 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 North Carolina conflict of interest and ethics rules, N.C.G.S. § 160D-109. 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 from the Program.

## 19 Uniform Relocation Act (URA)

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

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

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

## 20 Closeout

Owner/Occupant applications will be closed upon completion of construction work and upon returning the keys to the Program-assisted property to the homeowner. 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 completeness review of each individual application, rather than a comprehensive quality control review of each step.

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

### [END PROGRAM POLICIES AND PROCEDURES]

## Appendix A – Definitions

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

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

**Applicant:** Any individual who applies for assistance to the Housing Repair and Replacement Program

**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.

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

**Damage Assessment:** The initial Program inspection of a structure damaged by Hurricane Helene 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.

**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 C.F.R. 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 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 people occupying the same housing unit, regardless of their relationship with each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated people who share living arrangements.

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

**Landlord-Applicant:** An individual who applies to Multifamily Construction and Repair Program for assistance with a rental property.

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

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

**Most Impacted and Distressed (MID) Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The MID-designated areas include Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Clay, Cleveland, Gaston, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mecklenburg (zip code 28214 only), Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey counties.

**Multifamily:** Residential structures containing up to seven (7) units or multiple residential structures located on adjacent lots. Multiunit structures up to a maximum of seven (7) units may be eligible under these Policies and Procedures.

**NCDOC:** North Carolina Department of Commerce; the grantee and administering entity for CDBG-DR funds allocated to the State of North Carolina for recovery from Hurricane Helene which made landfall in North Carolina in September 2024.

**Not Suitable for Rehabilitation:** The property is in such poor condition that rehabilitation is not physically or financially feasible.

**Owner-Applicant:** An individual who applies to the Housing Reconstruction and Rehabilitation Program for assistance with his/her primary residence.

**Qualifying Event:** Hurricane Helene

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

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

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

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

## Appendix B: Uniform Relocation Act (URA) Policies

### 0 Overview

Every project funded in part or entirely by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1972, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD)<sup>28</sup>.

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

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

All relocation activities must comply with the grantee's Relocation Assistance and Residential Anti-Displacement Plan (RARAP), described further in the *Waivers and Alternate Requirements* section, below.

### 1 Waivers and Alternate Requirements

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

#### 1.1 One-for-One Replacement

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

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<sup>28</sup> HUD has issued alternate requirements to URA regulations for DCR's CDBG-DR grant in Federal Register Volume 87, Number 23; Published Thursday, February 3, 2022 (87 FR 6364)

occupied lower-income dwelling units that meet the definition of “not suitable for rehabilitation” from the one-for-one replacement housing requirements of 24 C.F.R. 42.375.

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

## 1.2 Section 104(d) Relocation Assistance

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

## 1.3 URA Replacement Payments for Tenants

The requirements of sections 104(d)(2)(A)(iii) and 104(d)(2)(B) of the HCDA and 24 C.F.R. 42.350, are waived. This waiver limits the types and amount of relocation assistance a section 104(d) displaced person, as defined under 24 C.F.R. 42.305, is eligible to receive. The relocation assistance will now align with the types and amounts provided under the URA and implementing regulations at 49 C.F.R. part 24. This waiver does not impact a person’s eligibility as a displaced person under section 104(d), rather it limits the amounts and types of relocation assistance under section 104(d) to the amounts and types of assistance for displaced persons under the URA, as amended.

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

## 1.4 Displacement Due to a Major Disaster

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

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

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

The Program will complete some site-specific reviews within one (1) year of Hurricane Helene. As such, it is anticipated that Section 414 and its implementing regulation at 49 C.F.R. 24.403(d)(1) may apply to some tenants who resided at any property where one of the aforementioned three (3) activities has occurred within the one (1) year timeframe established at 87 FR 6390 before the waiver is effective. For projects where one of these activities has not occurred within the one (1) year timeframe, this Section 414 waiver will apply and Section 414 will not apply.

### **1.5 Relocation Assistance and Residential Anti-Displacement Plan (RARAP)**

CDBG-DR grantees must certify that they have in effect and are following a RARAP as required by Section 104(d)(1) and (2) of the HCDA and 24 C.F.R. 42.325. If the grantee already has a RARAP as is required for grantees of regular CDBG funds, the grantee must either amend their existing RARAP or create a separate RARAP that complies with the CDBG-DR waivers and alternative requirements of the Universal Notice. If the grantee does not have an existing RARAP, they must create a separate RARAP for CDBG-DR purposes.

The RARAP must describe how the grantee plans to minimize displacement of families and individuals from their homes and neighborhoods as a result of any CDBG-DR assisted activities. Where minimizing displacement is not reasonable, feasible, cost-efficient, or would not help prevent future or repetitive loss, the grantee must describe how it plans to minimize the adverse impacts of displacement.

The description must focus on proposed disaster recovery activities that may directly or indirectly result in displacement, and the assistance that would be required under URA, section 104(d), and any other assistance being made available to displaced persons. The RARAP must also describe how the grantee will plan its Programs and projects in a manner that recognizes and minimizes the impacts of displacement upon displaced persons, especially among vulnerable populations. The description must be scoped to the complexity and nature of the anticipated displacing activities, including an evaluation of the grantee's available resources to carry out compliant relocations.

The grantee must include their plans to replace any housing units subject to one-for-one replacement requirements that are not covered by the one-for-one waiver provided for in the Consolidated Notice and summarized in this URA Policy.

Finally, the RARAP, including any applicable one-for-one replacement plans and protocols, must be included in the grantee's Program-specific policies and procedures as required in the Notice.

## **2 General Relocation Requirements**

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

- Provision of written notifications to displaced persons that inform them about potential future displacement, eligibility, and actions to be taken during the implementation of a displacing project.
- Identification of comparable dwellings or sites to those from which persons are displaced sufficiently prior to their displacement.

- Engagement in relocation planning that identifies the extent of potential displacement and needs to minimize impacts of displacement to the extent possible; and
- Provision of relocation advisory services and assistance payments based on individual needs and entitlements as afforded by URA regulations.

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

## 2.1 URA Notifications

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

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

### 2.1.1 General Information Notice (GIN)

As soon as feasible, a General Information Notice (GIN) is issued to potentially displaced persons and landlords of properties where potentially displaced persons reside. Once the Program identifies a tenant after intake is completed, a GIN will be sent to the applicant as soon as feasible. The GIN discloses to all potentially displaced persons that the Program may provide assistance, via federal funding subject to URA, to support the rehabilitation, reconstruction, or replacement of the property they occupy. The GIN outlines the basic requirements to be eligible for URA protections, the relocation assistance they may be eligible for, and the procedures for obtaining the payment(s). It also provides information about the reasonable relocation advisory services available to help the displaced person successfully relocate.

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

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

### 2.1.2 Notice of Non-Displacement – No Relocation Required

Households that received a GIN that will not need to relocate to complete Agency activities are provided a Notice of Non-Displacement – No Relocation Required. This Notice will be provided immediately following formal commitment of CDBG-DR funding to the related project. Once provided with a Notice of

Non-Displacement – No Relocation Required, a household is determined to not qualify for URA assistance unless the Program activities are significantly altered. Circumstances that would prompt this Notice may be that Program construction activities do not occur or that the tenant can stay on property while repairs are being made.

### 2.1.3 Notice of Eligibility – Temporary Relocation

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

The NOE informs the tenant that the relocation period will not exceed **twelve (12) months**<sup>29</sup>. In addition, it notifies eligible households of their entitlements for relocation advisory services, moving costs, and rental assistance. The household must also be provided with at least one (1) comparable replacement dwelling available to them. Also, the temporarily displaced person(s) will be informed that he/she/they will receive a notice indicating, at least **thirty (30) days** in advance, the specific date by which they must move.

### 2.1.4 Thirty (30) Day Notice

Tenant households who must temporarily relocate due to Program construction activities are provided with a minimum of **thirty (30) days'** notice of the date by which they must vacate to allow Program activities to continue. Program Applicants may not knowingly create an emergency situation (disconnecting utilities, restricting access and egress with construction staging, etc.) requiring households to vacate with less than **thirty (30) days** written notice.

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

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

### 2.1.5 Return Home Notice

When Program activities are complete, the displaced household will be informed via a Return Home Notice that they may return to the displacement dwelling. The Return Home Notice provides the displaced household with **thirty (30) days** to return to the displacement dwelling. This Notice and related requirements are discussed further in Section 3.3.

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29 If unforeseen or exceptional circumstances cause a temporary displacement to exceed 12 months, the displacement may be reclassified as permanent, and Uniform Relocation Assistance (URA) benefits may apply. In such cases, refer to the permanent relocation requirements under Subparts C, D, and E of 49 CFR Part 24.

If any tenant will be displaced for more than twelve (12) months, DCR is required to offer permanent relocation assistance to the tenant in accordance with 49 CFR 24 Subparts C, D, and E.

## 2.2 Temporary Relocation

The URA regulation at 49 C.F.R. Subpart C provides general requirements for relocation assistance, most of which are applicable to tenant-occupants who are required to relocate temporarily due to federally assisted projects involving construction activities, and which could allow for a quick return to their dwelling unit on the project site. HUD provides further guidance regarding temporary relocation in its Handbook.

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

### 2.2.1 Eligible Expenses

DCR will reimburse temporarily relocated tenant households for all reasonable out-of-pocket expenses incurred in connection with their relocation. The temporarily displaced household is responsible for submitting applicable source documentation to support costs incurred and receive reimbursement. In addition, the household must provide proof of occupancy, or intent to occupy, a decent, safe, and sanitary dwelling adequately sized to accommodate all occupants. Requirements regarding claims for relocation payments are found at 49 C.F.R. § 24.207.

#### 2.2.1.1 *Increased Housing Costs*

URA assistance pays the difference between the actual rent plus utility costs incurred at the temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. Actual rent costs are capped based on the costs of comparable replacement dwellings available at the time of relocation and appropriate to the length of relocation anticipated. Where a household receives a monthly housing subsidy, the amount of the subsidy is subtracted from the contract rent amount when determining the increased housing cost.

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

#### 2.2.1.2 *Moving Costs*

The actual moving costs incurred by the household to move to the temporary unit and return to the displacement dwelling are eligible under a temporary relocation. Moving costs must be necessary and reasonable to be reimbursed. Households are encouraged to use an insured, licensed mover to limit the liability of property lost, stolen, or damaged in the process of moving. The Program additionally pays reasonable, actual costs incurred for moving supplies to support self-moves or commercial moves. Applicable requirements for moving and related expenses are found at 49 C.F.R. § 24.301.

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

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

## 2.2.2 Ineligible Expenses

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

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

## 2.3 Relocation Duration and Return Home

Estimated duration a temporarily displaced household will be displaced may vary based on the construction activities being undertaken by the Program. Regardless of the estimated duration, temporary relocation assistance will be provided until Program sponsored activities are complete and the displacement dwelling has been returned to a decent, safe, and sanitary condition.

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

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

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

# 3 URA Appeals

Households may appeal Program or DCR decisions with respect to URA eligibility, services, and/or payments. The applicant must appeal within **sixty (60) days** of receiving a written determination from the Program outlining the Program's decision related to his or her eligibility for benefits, amount of benefits,

or timeframe to exercise rights and entitlements of the URA. Additionally, households may appeal to allege deficiencies in the Department's relocation assistance advisory services as defined in 49 C.F.R. § 24.205(c) and the Department's governing documents. Acceptance of Department services and/or payments does not limit a household's right to appeal.

Households are encouraged to include any statement of fact or other material which they feel has a bearing on the appeal. The Department shall permit the household to inspect and copy all material pertinent to the appeal. Households also have the right to be represented by legal counsel or other representative in connection with an appeal, but solely at the expense of the household.

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

- Email: [DCR.Appeals@commerce.nc.gov](mailto:DCR.Appeals@commerce.nc.gov)
- Postal Mail: Attention: North Carolina Department of Commerce  
4346 Mail Service Center  
Raleigh, NC 27699-4346  
Attention: Division of Community Revitalization Appeals

When practicable, a determination will be made by DCR within ten (10) business days. Promptly after receipt of all information submitted by a person in support of an appeal, the agency shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy. If the full relief requested is not granted, the agency shall inform the person that the determination is the agency's final decision and that the person may seek judicial review of the agency's determination.

**[END URA GUIDELINES]**