



REBUILD FLORIDA HOUSING REPAIR & REPLACEMENT PROGRAM

SMALL RENTAL HOUSING PROGRAM GUIDELINES

This document provides the housing guidelines for implementation of the rental portion of the Hurricane Michael Housing Repair and Replacement Program administered by the State of Florida Department of Commerce (FloridaCommerce). This program is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant—Disaster Recovery (CDBGDR) allocation as described in Public Laws 115-56 and 115-123.

VERSION 5.5

JANUARY 24, 2024

VERSION HISTORY

Version Number	Change Date	Summary of Changes
1.0	1/28/2021	Draft Version
2.0	3/16/2021	Revisions to Feasibility Analysis, DOB gap scope reduction methodology, and reconsiderations contact information address.
3.0	4/7/2021	Revisions to the Mobile Housing Unit (MHU) thresholds for replacement.
4.0	5/20/2021	Updated to reflect 2021 HUD Income Limits.
5.0	7/21/2021	<p>Updated cover page for consistency with other program guidelines.</p> <p>Updated “Definitions” section for consistency with other program documents.</p> <p>Added definition for “Unresponsive”</p> <p>Updated “Introduction” section numbering to match other program documents.</p> <p>Clarified that a homeowner with delinquent mortgage may be eligible if adequate documentation is provided to demonstrate a payment plan.</p> <p>Inserted additional information into “Condominiums, Townhomes, and Other Structures with Shared Walls.”</p> <p>Exceptions added to replace Mobile Housing Units (MHUs) by a stick-built home if located in a floodplain and located on property owned by the applicant.</p> <p>Added the eligibility requirement that sites be considered environmentally feasible for construction and that extraordinary environmental conditions may result in a home being determined ineligible for reconstruction.</p> <p>Clarified that failure to allow for code inspection may result in termination of award.</p> <p>Inserted “Verification of Benefits” section.</p> <p>Updated “Anti-Fraud, Waste, and Abuse” section.</p> <p>Inserted section on “Elevation Certificates” and clarification in the “Award Determination” section regarding when elevation will be required.</p> <p>Clarified specific standards for homeowners required to maintain flood insurance in perpetuity.</p> <p>Updated “DOB Gap Funding” section for consistency with other program documents.</p> <p>Updated the “Initial Inspection and Damage Verification” section to include further detail regarding ECRs.</p> <p>Clarified that HRRP will provide a group of standardized reconstruction plans.</p> <p>Made minor formatting/typographical corrections throughout the document.</p>

Small Rental Housing Guidelines for Hurricane Michael

5.1	10/21/2021	Updated Complaints to specify that written responses will be provided within 15 working days to all complaints Updated FloridaCommerce URA Appeals to specify that the appeal process should be done within 60 days rather than 30 days Inserted 3.4 Ineligible Activities to clarify that any activities reimbursable by, or activities for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers (USACE) are considered ineligible activities
5.2	2/14/2022	Revised section 3.5 Applications to include additional information on documenting applicant voluntary withdrawal.
5.3	04/25/2022	Revised Section 3.16 and 9.8 to allow up to two (2) temporary storage containers
5.4	05/04/2022	Clarified HUD Income Limits effective dates for income certification conducted on or after 4/18/2022
5.5	10/11/2023	As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as “FloridaCommerce.” To reflect this change, all references to the former Florida Department of Economic Opportunity (including “the Department” and “DEO”) have been updated to represent FloridaCommerce. Associated branding (including logos, fonts, and colors) has been updated throughout the document.

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 review and changes for the State of Florida Office of Long-Term Resiliency are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the document in question.

TABLE OF CONTENTS

1.0 Definitions.....	1
2.0 Introduction.....	7
3.0 Program Overview	9
3.1 Purpose of the Program	9
3.1.1 National Objective and Eligible Activities.....	9
3.1.2 FloridaCommerce Housing Program Administration and Implementation.....	9
3.2 HUD Income Limits.....	11
3.3 Program Requirements	11
3.4 Ineligible Activities	12
3.5 Applications.....	12
3.6 Priority Schedule	13
3.7 Program Education.....	13
3.8 Structure Types.....	13
3.8.1 Eligible Structures:	13
3.8.2 Ineligible Structures:.....	14
3.8.3 Special Considerations regarding property uses:	15
3.8.4 Vacancy Requirements	15
3.8.5 Condominiums, Townhomes, and Other Structures with Shared Walls.....	15
3.9 Type of Assistance Offered	18
3.10 Uniform Relocation Act (URA)	20
3.11 Construction Standards	20
3.12 Accessibility Standards.....	21
3.13 Allocation and Housing Assistance Caps.....	21
3.14 Feasibility of Repair Analysis.....	21
3.14.1 Stick Built, On-Site Built Homes	22
3.14.2 Manufactured Housing Units (MHUs).....	22
3.15 Property Owner Responsiveness	22
3.16 Property Owner Responsibilities.....	23
3.17 Forgivable Loans, Monitoring, and Repayment.....	24
3.18 Due Diligence Exceptions for Commitment Letter Processing	25
3.18.1 Credit Reports and Authorizations to Release Information	25
3.18.2 Title Reports.....	25
3.18.3 Tenant Income and Leases.....	25
3.19 Complaints/Appeals/Conflict of Interest	25

3.19.1 Fair Housing Complaints	25
3.19.2 Conflict of Interest	26
3.20 Anti-Fraud, Waste, and Abuse	26
3.21 Files, Records, and Reports	26
3.22 State and Federal Audits	27
3.23 Procurement Requirements.....	27
4.0 Rental Property Owner Eligibility Requirements.....	28
4.1 Hurricane Michael Damage	28
4.2 Location.....	29
4.3 Proof of U.S. Citizenship or Lawful Permanent Resident	29
4.4 Proof of Ownership.....	30
4.5 Special Circumstances Related to Type of Ownership	30
4.5.1 Purchase Contracts	30
4.5.2 Act of Donation	30
4.5.3 Trust	30
4.6 Use of Property	31
4.7 Property Taxes	31
4.8 Property Type.....	31
4.9 Ineligible Applicants.....	31
4.10 Certification Requirements to Receive Assistance.....	31
5.0 Duplication of Benefits (DOB)	33
5.1 Overview	33
5.2 FEMA Assistance (Disaster Recovery Grants)	33
5.3 FEMA National Flood Insurance Program (NFIP) Insurance.....	34
5.4 Increased Cost of Compliance (ICC)	34
5.5 Private Insurance	34
5.6 The Small Business Administration (SBA)	35
5.6.1 Declined SBA Loans	35
5.6.2 Cancelled SBA Loans	35
5.6.3 Accepted but Undisbursed SBA Loan Amounts	35
5.7 Exceptions to Duplication of Benefits.....	36
5.8 Allowable Cost of Repairs	36
5.9 Contractor Fraud	36
5.10 Forced Mortgage Payoff	36
5.11 Legal Fees	37
5.12 Tax Filings.....	37

5.13 Calculating the Amount of DOB Offset.....	37
5.13.1 Repair and Replacement	37
5.13.2 Reconstruction	38
5.14 Subrogation.....	38
6.0 Inspections and Environmental Reviews.....	39
6.1 Inspections and Environmental Reviews Overview.....	39
6.2 Initial Inspection and Damage Verification	39
6.3 Eligible and Ineligible Items	39
6.4 Environmental Review.....	40
6.5 Elevation Requirements	40
6.6 Elevation Certificates.....	41
7.0 Award Determination	42
7.1 Eligible Repair Costs/Need.....	42
7.2 Calculating Potential Duplication of Benefits.....	42
7.3 Zero Award.....	43
8.0 Preconstruction.....	44
8.1 DOB Gap Funding.....	44
8.1.1 Rehabilitation	44
8.1.2 Reconstruction or Replacement	44
8.2 Lead-based Paint and Asbestos Hazard Identification.....	44
8.3 Development of Costs for Repair Projects	45
8.4 Replacement Mobile/Manufactured Housing Units (MHUs)	45
8.4.1 Replacement MHU Relocations	46
8.4.2 Environmental Review Record	46
8.5 Reconstruction Determinations and Plan Selection	46
8.5.1 Reconstruction Plans	47
8.5.2 Unsafe Conditions.....	47
8.5.3 Demolished Structures.....	47
8.6 Contractor Assignments and Construction Agreement	47
8.7 Required Program Documents	48
8.8 Notice to Proceed.....	49
8.9 Notice to Begin Construction	49
8.10 Contractor Requirements.....	49
9.0 Construction.....	51
9.1 Overview	51
9.2 Lead-based Paint Disturbance and Mitigation	51

Small Rental Housing Guidelines for Hurricane Michael

9.3 Repair and Reconstruction Progress Inspections	52
9.3.1 MHU Replacement Inspection Requirements.....	53
9.4 Final Inspection and Warranty Information	53
9.5 Re-Inspections	53
9.6 Change Orders.....	54
9.7 Method of Payment/Invoice	54
9.8 Property Owner Responsibilities During Construction.....	54
10.0 Post Construction.....	56
10.1 Post Construction Affordability Compliance	56
10.2 Closeout Review	56
10.3 Subrogation.....	57
10.4 Recapture.....	57
Appendix A: Affirmative Marketing Plan	58
Appendix B: Reconsiderations/Appeal/Complaint Process	59
RECONSIDERATION REQUESTS, APPEALS & COMPLAINTS.....	59
FloridaCommerce Requests for Reconsideration.....	59
FloridaCommerce Complaints.....	60
HUD Complaints	60
Appeals.....	60
FloridaCommerce URA Appeals.....	61
Complaints	62
Citizen Complaints	62
Fair Housing Complaints	63
Contractor Fraud	63

1.0 Definitions

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

Affordability Period: To ensure that the CDBG-DR investment in rental properties yields affordable housing, HRRP is imposing rent and occupancy requirements over the length of a compliance period, known as the affordability period. All HRRP-assisted rental units must be restricted during the affordability period for LMI persons. The rents, at a minimum, must comply with High HOME Investment Partnerships (HOME) Rents. Rents may not exceed 30% of the monthly income for a household earning 80% or less of the Area Median Income (AMI). For rehabilitated or reconstructed single-family rental units, affordability periods will be a minimum of 5 years.

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

Amortized Loan: Loans that require a monthly payment by the homeowner. When participants are able to afford monthly payments, lending funds makes sense because funds that are repaid can be reinvested to assist other low-income households. Amortizing loans can be made as principal-only loans, or funds may be lent at below-market interest rates.

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

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

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

Cancelled Loans: The borrower has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to the default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement.

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

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

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

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

Declined Loans: Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds.

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

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

Duplication of Benefits: A duplication of benefits 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. The amount in excess of the total need is the Duplication of Benefits (“DOB”) and DOB is prohibited by federal law. A Duplication of Benefits will occur if the Rebuild Florida Housing Repair and Replacement Program for Hurricane Michael provides assistance to a rental property owner for the same purpose (repair, replacement, or reconstruction) as any previous financial or in-kind assistance provided to a property owner for the repair, replacement, or reconstruction of his or her property. By Federal Law, Rebuild Florida is prohibited from creating a Duplication of Benefits. This prohibition comes from the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and, therefore, these other sources of funds must be deducted from any potential award. FloridaCommerce will comply with HUD’s current duplication of benefit policies as reflected in the June 19, 2019, Federal Register Notice entitled “Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees (84 FR 28836), which includes the amendment that when certain conditions are met, loans will no longer be considered a DOB.

Duplication of Benefits (DOB) Gap: DOB Gap is the total amount of excludable and non-excludable benefits received less the amount of excluded benefits (excludable benefits) from the DOB analysis. DOB Gap amount along with all future non-excludable benefits received by Recipient(s) shall be provided to FloridaCommerce and deposited in a DOB Gap Funding Account prior to the execution of the Homeowner Grant Agreement.

Duplication of Benefits Gap Funding: The amount of non-excludable benefits received by a homeowner and placed in the DOB Gap Funding Account.

Duplication of Benefits Gap Funding Account: DOB Gap Funding Account is an account controlled by FloridaCommerce where all non-excludable benefits received by Recipient(s) prior to and/or after the execution of this Agreement are deposited. Funds in the DOB Gap Funding Account, if any, will be disbursed to Contractor for completion of the Statement of Work before any Grant Award funds will be disbursed.

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

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

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

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

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

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

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

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

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

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

Forgivable Loan: Forgivable loans are not fully amortized. Instead, some or even all of the principal and interest payments are deferred to some point in the future. If forgivable, the forgiveness might be structured to occur at one point in time such as at the end of the affordability period. For the Small Rental Housing Program, loans are forgivable at the end of the five-year affordability period.

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

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

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

HUD: United States Department of Housing and Urban Development.

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

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

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

- **Very Low:** Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size.
- **Low:** Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size.
- **Moderate:** Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

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

Modular Housing: A home built in sections in a factory to meet federal, state, or local building codes. Once assembled, the modular unit becomes permanently fixed to one site. The program will treat modular homes as traditional, site, or stick-built construction.

Most Impacted and Distressed (MID) Areas: Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The MID-designated areas include: Bay, Calhoun, Gulf, and Jackson counties; 32321 (Liberty), 32327 (Wakulla), 32328 (Franklin), 32346 (Wakulla and Franklin), 32351 (Gadsden), 32428 (Washington) ZIP codes, and the jurisdictions within the counties according to the [85 FR 4681, January 27, 2020](#). The state-identified MID area for the 20% non-MID portion of the grant include those [counties that received both Individual Assistance \(IA\) and Public Assistance \(PA\)](#) through the Federal Emergency Management Agency (FEMA). State-mid counties include Holmes, Leon, and Taylor.

Multifamily: Residential structures containing five or more units or multifamily residential structures located on adjacent lots.

NFIP: National Flood Insurance Program.

Not Suitable for Rehabilitation: FloridaCommerce defines “not suitable for rehabilitation” as one of the two following definitions:

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

Private Loans: A loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG–DR applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, e.g., the loan is not forgivable.

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

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

Registrant: Any individual that registers with the program.

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

Rental Activity: Repair of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units assisted with CDBG-DR funds.

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

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

Shortfall Amount: Shortfall Amount is the difference between the Grant Award and cost to complete the construction activities in the Statement of Work identified by FloridaCommerce.

Small Rental Housing: Non-owner-occupied residential structures with four units or less.

Statement of Work: The statement of work contains the repairs identified in the ECR that the contractor selected by FloridaCommerce must complete.

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

Small Rental Housing Guidelines for Hurricane Michael

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

Subsidized Loans: Subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery.

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

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

Substantial Improvement: As defined in 24 CFR 55.2(b)(10)(i)(A) and as applicable to the HRRP, substantial improvement means any repair, reconstruction, modernization or improvement of a structure, the cost of which equals or exceeds 50% of the market value of the structure either before the improvement or repair is started, or if the structure has been damaged and is being restored before the damage occurred. Substantial improvement determinations are only made by the local jurisdiction. The program will abide by these determinations.

Unresponsive: the failure to answer or return three consecutive phone calls, and failure to respond to written requests within program timeframes

Zero Award: When a zero award is determined, it is due to the estimated cost to repair the disaster-related structural damage sustained to an applicant's home being less than the amount of benefits previously received or previously approved to receive from other sources.

2.0 Introduction

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

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

The Rebuild Florida Housing Repair and Replacement Program (HRRP) for Hurricane Michael will provide housing assistance to those affected by Hurricane Michael in October 2018. This will include single-family owner-occupants, owners of rental properties, and Public Housing Authorities (PHAs). Small Rental Housing Guidelines for Hurricane Michael (Guidelines) will describe assistance available for small rental property owners who have damaged single-family, one to four-unit rental properties only. Single-Family Owner-Occupied Housing Guidelines have been published for single-family owner-occupied properties. Guidelines are available at www.rebuildflorida.gov. **Property owners are not guaranteed assistance but will be served based on availability of funds, prioritization, and qualification for benefits.**

The intent of the program is to address the remaining unmet housing recovery needs based on the notice in the Federal Register [85 FR 4681, January 27, 2020](#), specifically with respect to the provision of affordable rental housing. FloridaCommerce has developed these Small Rental Housing Guidelines for the HRRP based on the information gathered during the unmet needs analysis and subsequent project descriptions created in the [State of Florida Action Plan for Disaster Recovery](#).

FloridaCommerce initially allocated \$246,263,144 in CDBG-DR funding for HRRP. This value was determined based upon data obtained during the Action Plan development process, which showed significant unmet need related to rental housing repair, reconstruction, and replacement. The total number of rental properties to be served by the program will vary depending on market conditions and the volume of needs where prioritization requirements may be considered.

FloridaCommerce has established two objectives for the HRRP. First, recognizing that the \$246,263,144 allocation for housing repair will not meet all needs, FloridaCommerce will prioritize assistance for at-risk and vulnerable populations. At-risk and vulnerable populations to be prioritized are households with one or more of the following characteristics: (1) households with members over the age of 62, (2) households with members with disabilities, and/or (3) households with children under the age of 18.

Second, FloridaCommerce is requiring construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance in an effort to increase resilience and protect human life, in addition to following Florida building codes.

The HRRP is a centralized housing repair or replacement program that will prioritize serving Low- and Moderate-Income (LMI) families impacted by Hurricane Michael in twelve (12) designated most-impacted and distressed (MID) counties, as approved by HUD: **Franklin, Gadsden, Leon,**

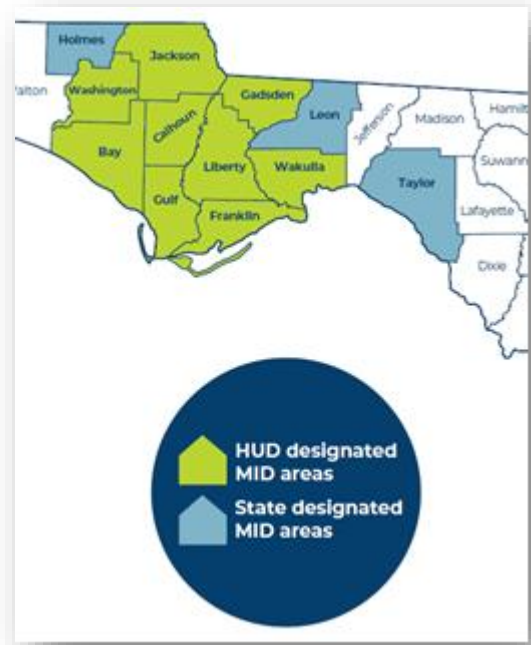


Figure 1: HRRP Michael : 12 Designated Counties

Liberty, Taylor, Wakulla, Bay, Calhoun, Gulf, Holmes, Jackson, and Washington.

The program will manage and complete the construction process for the repair or reconstruction of rental properties on behalf of eligible rental property owners. With the assistance of staff and vendors, the state will work with a pool of qualified and procured contractors that will be assigned by the program to repair, reconstruct, or replace damaged properties. Rental property owners will not select their own contractors and will not contract directly with the construction contractor. No payments will be made to the rental property owner directly. All assistance will be provided as a forgivable loan.

If any unit(s) rehabilitated or reconstructed under this program is/are currently occupied by tenants, the tenants will have the opportunity to move back into the unit(s) that are rehabilitated or reconstructed using CDBG-DR funds. Displacement of such tenants will result in the application of the Uniform Relocation and Real Property Acquisition Act (URA) and all associated requirements, restrictions, and/or waivers outlined in the governing Federal Register Notice(s), federal guidance, and the URA itself.

The federal requirements for the delivery of construction assistance under the HRRP are complex and will require a multi-step process (see Figures 1 and 2 below) to ensure compliance with all regulations and requirements tied to the funding source.

Rental property owners will complete applications and submit eligibility documentation that are required to advance to an award of benefits to eligible rental property owners. Following successful eligibility and duplication of benefits (DOB) review, the result of the initial eligibility-documentation phase is the advancement to the assessment phase, where program staff will conduct a damage assessment, environmental review, and develop the scope of work (SOW) for repairs needed (or reconstruction or replacement). The SOW is then used to develop the Award Determination – e.g. the type of repair activity available to the rental property owner, which is then followed by the signing of a loan agreement.

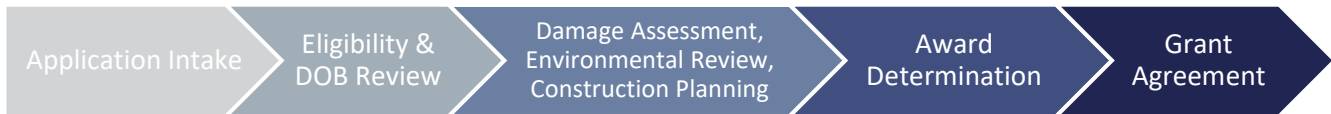


Figure 1: Initial Application and Documentation Steps

The construction and compliance phase, as seen in Figure 2, is where repair, replacement, or reconstruction assistance is provided to the rental property owner through direct construction activities performed by the program and the result is a market-ready affordable housing unit. After the verification of tenant income and the completion of the affordability period for single-family rental units, which is a minimum of five years, the loan will be forgiven assuming the rental property owner has remained in compliance throughout the term of the affordability period.



Figure 2: Construction and Compliance

3.0 Program Overview

3.1 Purpose of the Program

3.1.1 National Objective and Eligible Activities

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

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

All assistance will be provided in the form of a forgivable loan, with forgiveness occurring after an affordability period of five (5) years. To meet the LMI National Objective, units must be affordable as defined by HUD HOME Rent Limits to renters earning less than 80% Area Median Income. Property owners receiving assistance for damaged properties must agree to lease the rental units to LMI households (80% of Area Median Income or less) at restricted rents as defined by HUD HOME Rent limits.

Eligible activities under these Guidelines are as follows:

- Repair, reconstruction, or replacement of housing units damaged by Hurricane Michael.
- The completion of work to rental properties that have been partially repaired.

3.1.2 FloridaCommerce Housing Program Administration and Implementation

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

Table 1: Rebuild Florida Available Programs

Program Name	Activity Name	Implementation
Housing		
Housing Repair and Replacement	Single Family Owner-Occupied & MHU	Direct
	Small Family Rental	Direct
	Multifamily	Direct
	Temporary Housing Assistance	Direct
Voluntary Home Buyout	Voluntary Home Buyout	Subrecipient
Economic Revitalization		
Hometown Revitalization Program		Subrecipient

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

Small Rental Housing Guidelines for Hurricane Michael

Workforce Recover Training Program		Subrecipient
Infrastructure		
General Infrastructure		Subrecipient

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

Each program will have its own implementing guidelines. For example, this document is entitled the “Small Family Rental Housing Program Guidelines” and contains the policy guidelines for implementation of all activities pertaining to single-family one- to four-unit rental properties.

Within FloridaCommerce, directly administered programs are supported by contracted service providers² who augment FloridaCommerce’s staffing capacity and professional services that are not typically within FloridaCommerce’s staffing plan. Contracted service providers also provide technical assistance related to program design and federal rules and requirements. Table 2 below illustrates the roles and responsibilities for the Rebuild Florida Housing Repair and Replacement Program for Hurricane Michael relative to specific tasks.

Table 2: Roles and Responsibilities for Program Tasks

Task	Responsibility
Application System	PROGRAM
Policy and Procedure Technical Assistance	PROGRAM
Policy and Procedure Approval/Finalization	FloridaCommerce
Case Management	PROGRAM
Application Completion	PROGRAM
Damage Assessment Production	PROGRAM
Environmental Review Production	PROGRAM
Environmental Review Approval	FloridaCommerce
Initial DOB/VOB Review	PROGRAM
File 1 st Level QA/QC at task level	PROGRAM
File 2 nd Level QA/QC for Eligibility Recommendation	PROGRAM
Final File Eligibility Review QA/QC Determination	FloridaCommerce
Ineligible Notification	PROGRAM
Informal Appeals	PROGRAM
Appeals	FloridaCommerce
Benefit Determination Letter Issuance	PROGRAM
Award Calculation	PROGRAM
Award Notification Letter Issuance	PROGRAM

² HORNE is the contracted service provider selected to augment FloridaCommerce’s staffing capacity to administer the Rental Housing Repair and Replacement Program for Hurricane Michael.

Generation of Loan Agreement Closing Package	PROGRAM
Schedule and Close Loan Agreements	PROGRAM
Collect DOB Gap Payments and Deposit to FloridaCommerce Account	PROGRAM
Maintain DOB Gap Payment Accounts and Financial Draw Down	FloridaCommerce
Construction Bid Package Development, Issuance, and Bid Selection	FloridaCommerce
Issuance of Notice to Proceed	PROGRAM
Issuance of Notice to Construct	PROGRAM
Construction Progress Inspections	PROGRAM
Construction Final Inspections	PROGRAM
Construction Payment Request Review	FloridaCommerce
Construction Payment	FloridaCommerce
Affordability Period Monitoring	FloridaCommerce
Initial Closeout Review	PROGRAM
QA/QC Closeout Review	PROGRAM
Final Closeout QA/QC and Approval	FloridaCommerce

3.2 HUD Income Limits

HUD publishes income limits annually in or around April. At program launch, HRRP used the 2020 HUD income limits by county to verify applicant household income. HUD issued new income limits on May 18, 2021. On April 18, 2022, HUD again published new income limits. Applications received before May 18, 2021, will be evaluated based on the 2020 HUD income limits. Any applications received on or after May 18, 2021 through the close of the program intake period on June 30, 2021, will be evaluated based on the 2021 HUD income limits, unless income review is completed on or after April 18, 2022. All income review or income recertification completed on or after April 18, 2022 will be based on the HUD income limits in effect at the time of income verification or recertification. The program will update the income tables for the program each year when the new income tables are made effective by HUD.

3.3 Program Requirements

1. All assistance provided through the Small Family Rental Housing Program will be in the form of a forgivable loan. Loan forgiveness will occur at the completion of the five-year affordability period.
2. The HRRP will prioritize rental units located in the MID counties, as approved by HUD.
3. Through implementation of the affordability period, rental housing activities for the HRRP will target the HUD National Objective of providing affordable housing options to benefit low- and moderate income persons. To meet this requirement, at least 51% of units must be occupied by LMI tenants, with monitoring occurring via income verification on an annual basis.
4. Rental property owners will be prioritized based on the program priorities to address needs in HUD-declared MID areas. Prioritization will be followed as per Section 1.5 of this document.
5. The rental property owner must meet certain eligibility standards to qualify for assistance. Eligibility standards are discussed in Section 2 of this document
6. The property must pass a federally required environmental review. No construction may be undertaken until the environmental review is complete. Note that review may result in a home being ineligible for the program if there are extraordinary environmental site conditions that are determined to be not feasible for repair or demolition and reconstruction.

7. To receive program assistance, it must be demonstrated that the unrepaired damage to structures was the direct result of Hurricane Michael. Damage details are noted in Section 2 of this document.
8. A damage assessment must be conducted on both the interior and exterior of the structure to observe and record damage, as well as develop the Damage Repair Valuation (DRV). The damage assessment must be completed in sufficient detail to develop cost estimates. This requires an inspector to have full access to the property for the documentation process.
9. The project costs must be reasonable and typical in the current marketplace for projects of similar scope and must exclude any Duplication of Benefits.
10. The project must comply with all applicable federal, state and local requirements.

3.4 Ineligible Activities

Ineligible activities identified in the Federal Register, Vol. 83, No. 28, Friday, February 9, 2018, include the use of CDBG-DR for forced mortgage payoff, construction of a dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and funding of buildings for the general conduct of government activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974 and allowed by waiver. In addition, any activities reimbursable by, or activities for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers (USACE) are considered ineligible activities.

3.5 Applications

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

An applicant may request to voluntarily withdraw from the program at any time. If an applicant chooses to withdraw after construction has begun, the applicant will be subject to repay program funds expended. Applicants are to document withdrawal requests in writing. 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 "Withdrawal Confirmation Notification", which gives the applicant an option to rescind his or her request to withdraw. If after being sent the letter, the applicant does not contact the program to cancel withdrawal within **thirty (30) days**, the case will be withdrawn.

A written request to withdraw can be sent to the applicant's Rebuild Florida Intake Specialist or directly to FloridaCommerce via U.S. mail to:

Attention: Rebuild Florida Housing Repair and Replacement Program

Florida Department of Commerce

Division of Community Development

107 East Madison Street

Caldwell Building, MSC 420

Tallahassee, Florida 32399

Withdrawal from the Program is final and not appealable.

Should an applicant request to withdraw, and program funds have already been invested into the damaged property, the applicant will be responsible for the repayment of all program funds through a recapture process.

3.6 Priority Schedule

While both HRRP Owner and Renter program applicants may apply at the same time, HRRP Single-Family Owner applicants will be prioritized over renter applicants, based on the prioritization criteria outlined in the HRRP Single-Family Owner-Occupied Program Guidelines. Further, if there remains funding for the Rental program, the Small Rental Housing Program applicants will be prioritized based on the following factors:

- Factor 1: Rental property is in a HUD- or state-designated Most Impacted and Distressed (MID) Area.
- Factor 2: Property is located outside the 100-year floodplain
- Factor 3: Order that the application was received within the Small Rental Housing Program (i.e., first-come, first-served).

As loan agreements approach full obligation of program funds, FloridaCommerce will analyze the remaining potential eligible applicant pipeline and may, consistent with the HUD-approved Action Plan, choose to re-allocate funds from one program to another or place remaining applicants on hold until priority applicants are fully processed and their needs are realized. As program application collection is monitored, FloridaCommerce may choose to adjust the percentage of funding or re-allocate additional funding from other programs with less participation to maximize assistance for priority applicants eligible and seeking HRRP assistance.

3.7 Program Education

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

3.8 Structure Types

3.8.1 Eligible Structures:

1. Single-family, duplex, triplex, and quadraplex
2. Mixed-use properties are eligible to apply, provided the rental property was in use as of the date of the storm.

3. A mixed-use property contains both commercial/office uses (groceries, corner stores, etc.) and residential uses (primary residences, rental units, etc.). These rental properties will receive an award only for each affordable rental unit. Units identified for commercial use will not be considered in the one to four-unit count.
4. Manufactured homes that were used as full-time, permanent, year-round rental properties.
 - A. Applicants must own the land where the home sits.
 - B. MHU is built to the Manufactured Home Construction and Safety Standards (HUD Code) and has a vehicle identification number (VIN) and/or a steel undercarriage.
 - C. Single-wide, double-wide, and triple wide MHUs.
5. Mixed-income properties are eligible but only the rental units available to LMI renters are eligible for program assistance.
6. Condominiums, townhomes and other owner-occupied units that share a common wall may be eligible structure types. However, there are additional restrictions related to common areas in such structures. Reference Section 1.7.2 for additional restrictions specific to Condominiums, townhomes, and other structures with shared walls.
7. Structures that are used for both residential and commercial purposes will be considered for eligibility on a case-by-case basis; however, if the structure is approved, repairs should be limited to the residential portion.
8. Applicants who own a home on property with multiple unattached homes on the same lot (tax parcel) will be required to apply separately for each structure. The program will coordinate with the local code compliance authority to determine that each of the units is legally allowable on the property. Only those units that were constructed under a permit issued by the local code compliance authority will be considered for assistance. In addition, a survey of the property will be required, and the property may need to be sub-divided. The cost of the survey and responsibility for subdivision of the property, if required, will be at the applicant's expense. Prior to replacing or repairing a structure, all code and property restrictions, if applicable, must be resolved.
9. Properties located in the FEMA-defined 100-year floodplain are eligible per the prioritization schedule described in Section 1.5.

3.8.2 Ineligible Structures:

1. Garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for repair but may be eligible for demolition only if deemed a safety hazard. Improvements must be permanently attached to the main housing structure.
2. Recreational Vehicles and camper trailers used as a residence are not eligible for the program.
3. Houseboats used as a residence are not eligible for the program.
4. Second homes may be eligible under the rental program only if the second home is converted to affordable rental housing subject to the requisite affordability period. This limited exception will be evaluated on a case-by-case basis and will require HUD approval.
5. Seasonal, short-term, and vacation rental properties are not eligible for assistance.
6. Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within runway clear zones of either a civilian or military airport.
7. Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or in foreclosure.
8. Properties with delinquent mortgages or real property taxes unless the owner provides adequate documentation that they are on a payment plan or cured the delinquency to move forward with eligibility review.
9. Properties located in floodways.
10. Properties of five or more units that are operated as a rental project.

11. Properties located on extraordinary environmental site conditions that are determined to be not feasible for repair or demolition and reconstruction.

3.8.3 Special Considerations regarding property uses:

1. Properties containing mixed-uses are eligible to apply. A mixed-use property contained both commercial/office uses (groceries, corner stores, etc.) and residential uses (primary residences, rental units, etc.) prior to the storms. These rental properties will receive an award only for each affordable rental unit. Structures or spaces for commercial uses prior to the storms which will be converted to residential rental space are not eligible.
2. When determining the number of units in a small rental property, units identified for commercial use will not be considered in the one- to four-unit count, at the program's discretion. In reviewing these cases, the program will take all efforts to ensure the overall program objectives are met.
3. Units used to house family members or others at no charge are eligible.
4. If the persons occupying the unit are income-eligible tenants, the owner may receive funding for the units.
5. If the persons occupying the units are not income-eligible tenants, the owner may apply to the program for other units on the property and list the unit as a market rate unit.
6. Single Room Occupancy (SRO) units are not eligible. SRO units are residential properties that include multiple single room dwelling units where each unit is for occupancy by a single individual.

3.8.4 Vacancy Requirements

Rental property owners applying for assistance who are **not** owner-occupants of the rental property may apply with partially occupied properties. After submitting an application to the Rental program, it is preferred that owners should not rent any units identified on the application as vacant until construction is complete and the program verifies the income of potential tenants.

In the event that an owner has rented any previously vacant unit(s) post-date of application and prior to completing construction and passing final inspection OR after final inspection but prior to receiving program approval, the program will only process the final award under the following conditions:

- It is determined that the tenant is income eligible for the unit using the income documentation and certification method of the program.
- The owner will only qualify for the incentive award amount that is consistent with the income level of the tenant.
- The owner must supply the program with a move in notice prior to date of executed lease.

If any property owner is found to have improperly asked a tenant to leave, or some other illegal displacement has occurred, the owner is not eligible to receive an award from the program, and may be subject to legal penalties.

3.8.5 Condominiums, Townhomes, and Other Structures with Shared Walls

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

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

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

3.8.5.1 Structures

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

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

3.8.5.2 Eligible Benefit

HRRP will only provide repair assistance to eligible rental property owners, as applicable and allowable per Association rules. Condo, co-op or other structures with shared common areas and walls require are not eligible for reconstruction.

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

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

3.8.5.3 Registrant / Applicant

When the rental property owner is the registered applicant, only repairs made to the applicant's unit or repairs made that benefit only the applicant's unit per the prior section are eligible under the program. Although not the applicant, the Association must consent to repairs made to the owner's unit.

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

3.8.5.4 Participation

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

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

The LMI status of the project is dependent upon the income mix of all tenants. If the rental property owner does not agree to participate or is unable to provide required tenant, that unit will be assessed as non-LMI. Failure to meet the 51% LMI occupancy requirement for any group of units will result in the project's failure to qualify as an LMI project and therefore, the entire structure may be deemed ineligible for assistance.

3.8.5.5 Low- to Moderate-Income Requirements

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

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

3.8.5.6 Verification of Benefits

Property Applicants: Rental property owner applicants' verification of benefits for these structure types follow the single-family verification of benefits policy and processes.

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

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

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

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

3.8.5.7 National Flood Insurance Program Requirements

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

3.8.5.8 Unit Qualification

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

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

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

3.8.5.9 Loan Award

Loan awards are calculated using the HRRP's damage estimate minus any public or private assistance provided for repair or replacement of the damaged structure, which is referred to as a Duplication of Benefits (DOB) analysis. The result of this calculation is referred to as Unmet Need. Awards are subject to the maximum award caps specified in the 2018 State of Florida Action Plan for Disaster Recovery.

3.8.5.10 URA Compliance

If any unit not owned by the owner-occupant applicant is occupied by a tenant at the time of application, all URA notifications must be issued and URA requirements followed. Applicants are prohibited from evicting a tenant for the purpose of applying to or participating in the program will be ineligible if they engage in eviction for this purpose. Applicants with vacant units at the time of application must provide any prospective new tenants looking to occupy the unit prior to program authorized construction with the "Move-In" Notice. This Notice must be provided, and proof of acceptance obtained prior to the new tenants signing a lease agreement. This notice informs prospective tenants that they will not be eligible for relocation assistance if they become displaced as a result of program activities.

3.9 Type of Assistance Offered

Repair may be offered to rental property owners based on the extent of damage to the rental unit(s). Replacement of Mobile/Manufactured Units (MHUs) will be limited to situations where local zoning/building permits, or federal requirements, such as environmental regulations, will allow the replacement of the original, hurricane-damaged structure with a like structure. Triple-wide and larger MHUs will be replaced with double-wide structures. The double-wide MHU will be the largest MHU offered by the program.

Understanding that it may be necessary for tenants to vacate their rental unit during the period of repair, FloridaCommerce will provide relocation assistance as may be required by the Uniform Relocation Act (URA) as described in Section 1.9.

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

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

Examples of allowable eligible repair expenses include, but are not limited to:

- Structure repairs (e.g., roof, foundation, electrical, plumbing, and windows).
- Limited debris removal necessary for access to the home or repair area.
- Mold remediation.

Small Rental Housing Guidelines for Hurricane Michael

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

Where replacement of a MHU or modular home is indicated, standard floor plan options will be offered. If a replacement home is provided, the original MHU or modular home must be demolished and removed from the site prior to the replacement of that structure. Size of the replacement unit will be determined using information related to the damaged structure's size. Additional improvement parameters include:

- Cost-effective energy measures and improvements that meet local zoning and code, Decent Safe and Sanitary (DSS), or required Housing Quality Standards (HQS), especially those improvements which add enhanced resilience, such as elevation of major electrical components, roof strapping, and other items are eligible.
- Lead-based paint testing, mitigation, or stabilization, as needed. Any activities concerning lead-based paint must comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R. If a home is going to be replaced or reconstructed, lead-based paint testing will not apply. The replacement/reconstruction of the property will automatically result in the removal of any potential previous hazard.
- Asbestos testing, mitigation, or encapsulation, as needed.
- Mold testing and remediation, as needed.
- [Section 106 of the National Historic Preservation Act of 1966 \(Public Law 89-665\)](#), as amended in 2000, requires Architectural History compliance imposed by the Compliance and Review Section of the Bureau of Historic Preservation, as needed.
- Accessibility features for documented special needs. Section 504 of the Rehabilitation Act of 1973, as amended, provides for equal opportunity to enter facilities and participate in programs and activities. HRRP activities must evaluate the current state of accessibility and activities to persons with disabilities. Rental units inhabited by special needs or elderly (age 62 or older) persons may be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas may be installed, if appropriate. Hearing and sight-impaired adaptations should also be considered. All special needs requirements must be documented prior to approval.
 - Rental property owners committing to serving disabled tenant populations may qualify for the installation of accessibility features in their damaged rental properties.
 - Rental property owner intent to rent to elderly or disabled individuals/households will be documented via the owner's signed intent to market to elderly and disabled tenants.

- Standard appliances limited to refrigerator, stove and/or oven if they are not in working order at the time of inspection. Though replacement appliances may be of standard, not luxury quality, they will be EnergyStar® rated, if available.
- Ventilation and energy efficiency items such as ceiling fans, window screens, and screen doors if missing or not functional at the time of inspection.
- Elevation height requirements are governed by 85 FR 4681, January 27, 2020, which requires elevation of the bottom of the first finished floor to be at least two feet above the base flood elevation.
- All electrical components must be inspected including service, meter, wiring, and fixtures even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.
- All homes must be equipped with smoke and carbon monoxide detectors installed in conformity with code requirements.
- Additional related costs such as green building and mitigation requirements, insurance, accessibility modifications, repair or replacement of water, sewer, and utility connection needs may be included.

3.10 Uniform Relocation Act (URA)

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) establishes minimum standards for all federally-funded programs/projects that acquire property or displace person from their homes, businesses, or farms. The applicable federal regulation is located at 49 CFR 24 (URA) and in the Tenant Assistance, Relocation, and Real Property Acquisition Handbook (HUD Handbook 1378).

Residential and non-residential tenants currently occupying program-assisted structures are protected by the URA and will be relocated, if required by the scope of funded activities, in accordance with the URA. Program applicants must provide complete rental rosters to the program to support URA compliance. The program must receive notice of any changes in tenancy that may occur between the date of application and closeout.

HRRP will provide the following benefits to tenants that are displaced by program activities:

- Provide relocation advisory services to displaced tenants and owner occupants
- Provide a minimum 90 days written notice to vacate prior to requiring possession
- Reimburse for moving expenses
- Provide payments for the added cost of renting or purchasing comparable replacement housing.

Failure to comply and disclose tenant information in a timely manner may result in a loss of HRRP eligibility.

3.11 Construction Standards

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

1. Construction standards will be based on the Florida Building Code (FBC) and must meet or exceed applicable requirements.

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

3.12 Accessibility Standards

Properties that are or will be rented to physically disabled tenants or tenants with a disabled household member may be entitled to additional construction considerations such as roll-in showers, lowered countertops, pedestal sinks, bathroom grab bars, widened doorways, accessible toilets, or other accessibility features that will assist with the individual's functional needs. The program will assess eligibility for these features on a case-by-case basis during the application collection period. Rental property owners will be asked whether or not they or their tenants have any accessibility needs during their meetings with the case managers and those items may be documented and validated, and if feasible, those items will be incorporated into the scope of work following the development of the Estimated Cost of Repair (ECR).

3.13 Allocation and Housing Assistance Caps

A total of \$246 million has been set aside for the HRRP. This allocation may be increased or decreased based on the demand for the program and with an amendment to the Action Plan, as well as approval by HUD.

The maximum award granted to individual property owner applications submitted under FloridaCommerce's HRRP is set at \$350,000. All construction costs (hard and soft costs), mitigation measures, elevation costs, site improvements, and construction standard conditions (dumpsters, on-site toilets, permitting, variances) are included in the cap. Exceptions will be considered on a case-by-case basis.

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

3.14 Feasibility of Repair Analysis

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

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

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

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

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

3.14.1 Stick Built, On-Site Built Homes

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

- Homes that have already been demolished may be replaced or reconstructed;
- Homes that are condemned (red tagged) by the local jurisdiction may be replaced or reconstructed;
- Homes that are structurally unsafe or that have other conditions that make interior inspection by program staff unsafe or impossible may be replaced or reconstructed;
- If a local jurisdiction has issued a substantial damage determination for a home located inside the 100-year floodplain, the home will be reconstructed and elevated;
 - If an MHU is located within a floodplain, is required to be elevated more than three feet, and the applicant is the owner of the property, the MHU may be replaced by a stick-built home;
- If the local jurisdiction has issued a substantial improvement determination for a home located inside the 100-year floodplain, the home must be elevated; and
- Slab-on-grade homes that require elevation will be reconstructed and elevated. Repair will not an option.

3.14.2 Manufactured Housing Units (MHUs)

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

MHUs with ECR values less than \$15,000 will be rehabilitated.

MHUs with an ECR greater than \$15,000 will be replaced.

3.15 Property Owner Responsiveness

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

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

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

3.16 Property Owner Responsibilities

Rental property owners who receive assistance from the HRRP have the following responsibilities:

1. HRRP will not be responsible for lost or damaged belongings of the rental property owner and/or tenant that have occurred during construction. The rental property owner and/or tenant must secure or relocate all personal property until construction is complete. The rental property owner and/or tenant is responsible for the movement, storage, and security of all property and personal belongings. The program will provide up to two (2) temporary on-site storage units for rental property owner and/or tenant use.
2. Upon the execution of the Rental Loan Agreement, the property owner and/or tenant will have 90 calendar days to move personal property out of the damaged property and store any valuable personal property that could be damaged during the course of construction.
3. Comply with the Uniform Relocation Act (URA) regarding tenants who may be displaced due to construction activities.
4. The rental property owner and/or tenant must arrange access to the property for building contractors providing construction services. If reasonable and timely access is denied to a building contractor who is making a good faith effort to perform required repairs, the award may be terminated. The rental property owner and/or tenant must allow for a code inspection requested by FloridaCommerce or Contractor. Failure to allow for a code inspection may result in termination of the award.
5. During construction, the rental property owner and/or tenant must not interfere in repair areas and must make a reasonable effort to stay away from the construction zone.
6. The rent for the unit occupied by the LMI household must be at an affordable rate. The units occupied by LMI households must comply, at a minimum, with the High HOME rent limits published by HUD under the HOME Investment Partnerships program through the affordability period. Compliance with rent limits is calculated in the same manner as HUD programs. Property must be used for year-long rental housing and may not be used as a second home or for seasonal rental property.
7. Rental properties vacant at the time of application must be leased to LMI households within 60 days of project completion.
8. The rental property owner must provide income information for each tenant to the program for review and approval prior to executing the lease and/or move-in date. Landlords will solicit and approve their own tenant base and FloridaCommerce will not make any judgment on the suitability of tenants other than verifying that their income meets program requirements.
9. The property must be retained as an LMI rental property after project completion for rehabilitated or reconstructed single family rental units and multifamily rental units for a minimum period of 5 years.
10. The rental property owner must maintain flood insurance (if applicable). The Flood Disaster Protection Act of 1973 requires people who live in a floodplain to carry flood insurance in perpetuity on that property. A grant agreement, deed restriction, covenant, or similar enforcement vehicle will be required to be placed on the property requiring that flood insurance be maintained on that property in perpetuity.
 - A. Failure to maintain flood insurance, when required, will result in the rental property owner and the property being ineligible for future federal disaster relief.
 - B. HRRP will pay for one year of flood insurance, if applicable, if the rental property owner currently does not have flood insurance and did not receive prior federal assistance. The

rental property owner is responsible for obtaining, paying, and maintaining all flood insurance premiums after the first year.

- c. If located in a 100-year floodplain, the rental property owner will be required to maintain flood insurance in perpetuity and notify future owners of flood insurance requirements.
11. Rental property owners must keep current on all property taxes.
12. Rental property owners must meet all requirements agreed upon in the executed legal documents required by the program.
13. All owners should be listed on the program application. Rehabilitation files will only require one owner to sign program forms and execute the Rental Loan Agreement. Reconstruction and replacement files will require one owner to sign program forms and the Rental Loan Agreement; however, any non-applicant with an ownership interest in the damaged property will be required to provide his/her/their/its consent to demolish the damaged structure prior to the execution of the Rental Loan Agreement. HRRP is not liable for any dispute arising between property owners.

All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the rental property prior to the start of construction.

The rental property owner and the property's tenants have 90 days from the date of Rental Loan Agreement execution to remove all such debris and derelict property from the construction site. Failure to remove such property may result in a reduction in the total benefit amount to account for program removal and if such a reduction results in a new feasibility determination that the project is no longer feasible, the applicant will be determined ineligible and the application will be closed.

If any occupants are living in the rental property, they will be required to vacate the unit within the 90-day period afforded to the rental property owner to remove debris and property prior to construction. The program will comply with the Uniform Relocation Act (URA) regarding tenants who may be displaced due to construction activities. The rental property owner will be responsible for the removal of all derelict personal property prior to construction.

3.17 Forgivable Loans, Monitoring, and Repayment

The Small Rental Housing Program provides financial assistance such as forgivable loans to small rental property owners, for properties up to four units. Forgivable loans are non-amortizing loans that are typically structured so that a portion of the loan is forgiven over time. After verification of tenant income and if the property owner remained in compliance throughout the affordability period, which is a maximum of five years, the loan will be forgiven.

This loan will be evidenced by a note and mortgage in favor of FloridaCommerce. The first 20% of the loan will be forgiven eighteen (18) months after the loan agreement is executed. The remainder of the loan will be forgiven 20% per year annually thereafter. If the property owner violates the affordability period before the end of the loan term, then he or she would only pay the amount not yet forgiven and will be due to FloridaCommerce. If the property owner sells the property, then he or she would pay the amount not yet forgiven to FloridaCommerce in the event there are sufficient equity proceeds from the sale.

In order to verify compliance throughout the affordability period, the property owner is required to update income information for all tenants on an annual basis, which will be monitored to ensure compliance with for the full five-year affordability period. If the rental property owner does not provide the annual update to tenant income information, FloridaCommerce will provide a written notice requesting the income information. If the landlord does not respond within 30 days, the rental property owner will be assumed as not in compliance with the requirements regarding the affordability period and 51% of units being occupied by LMI persons.

Any loans repaid will be recycled back into the program and used to provide assistance to additional homeowners for the duration of the program.

3.18 Due Diligence Exceptions for Commitment Letter Processing

There are several verifications that are performed as due diligence before granting a Small Rental Housing Program award. Upon the instruction of the State, some due diligence checks must occur prior to closing, but are not required prior to issuing a commitment letter to the applicant. The following due diligence checks will be required prior to closing:

3.18.1 Credit Reports and Authorizations to Release Information

Credit reports are used to check if the property is in bankruptcy. Applicants must sign and return an Authorization to Release Information before the Small Rental Housing Program can order a credit report and confirm that the property is not in bankruptcy. The Authorization to Release Information must be received and the Credit Report must be reviewed prior to closing. Applicants in bankruptcy cannot proceed to closing without evidence that the property is not included in the bankruptcy estate.

3.18.2 Title Reports

When applicants are identified that have outstanding liens and judgments on title, the SRPP will process applicants with outstanding liens and judgments totaling up to 100% of the incentive loan award amount. Applicants will be notified in writing that liens and judgments have been identified and that clean title is required for closing.

3.18.3 Tenant Income and Leases

Prior to final disbursement, applicants must provide tenant income documentation and leases entered into with applicants.

Applicants are notified in the commitment letter that all program requirements must be met and any outstanding due diligence items of the above-described items must be cleared prior to closing.

3.19 Complaints/Appeals/Conflict of Interest

A complaint and appeals procedure will be afforded to rental property owners and tenants. Complaints may be lodged regarding any and all concerns that arise related to the procedures followed and services provided by HRRP. Appeals may be lodged only upon the deliverance of an adverse program decision regarding eligibility or closure of an application, and only within the parameters set by the Appeals procedure. No person may appeal program policy.

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

3.19.1 Fair Housing Complaints

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

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

FairHousing@Commerce.fl.gov

3.19.2 Conflict of Interest

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

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

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

3.20 Anti-Fraud, Waste, and Abuse

Rebuild Florida constituents, employees and contractors may report suspected fraud, waste, or abuse by contacting Constituent Management Services staff, submitting information via the Report Fraud, Waste or Abuse online form (<http://floridajobs.org/rebuildflorida/report>); (all contact information fields are optional to allow for anonymity) or by sending an e-mail to cdbg-dr_antifraudwasteabuse@Commerce.fl.gov.

All suspected cases of fraud will be taken seriously, and complaints will be reported to OLTR’s Compliance and Reporting Manager and FloridaCommerce’s Office of the Inspector General at OIG@Commerce.fl.gov. If FloridaCommerce’s OIG determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov) and FloridaCommerce’s HUD Community Planning and Development (CPD) Representative. OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in 84 FR 169.

Office of Long-Term Resiliency’s comprehensive Anti-Fraud Waste and Abuse Policy can be found [here](#).

3.21 Files, Records, and Reports

In accordance with 24 CFR 570.490, FloridaCommerce is required to maintain all program and project-related documentation such as financial records, supporting documentation, and statistical records. Records must be retained for a period of not less than five (5) years after the grant closeout or three (3) years after grant close-out with HUD, whichever is longer.

At a minimum, the following types of records are required to be established for each subrecipient:

- Records providing full description of each activity;
- Records verifying that activity meets national objectives;
- Records related to demonstrating eligibility of activities;
- Records required to document activity related to real property;
- Records documenting compliance with the fair housing and equal opportunity requirements;
- Financial records and reports required by FloridaCommerce;

- Performance reports required by FloridaCommerce; and
- Records supporting any specific requirements of the grant.

3.22 State and Federal Audits

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

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

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

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

3.23 Procurement Requirements

FloridaCommerce will abide by the Procurement process mandated by federal and state government codes as they are applicable to the program. The standards and guidelines for procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services have been established in the FloridaCommerce Purchasing and Contracting Guidelines that have been developed in compliance with federal and state requirements. The procurement process includes the decision to purchase as well as the process to complete the purchase. The federal government has established a set of procurement rules in 2 CFR Part 200.317-327 that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. If a conflict between federal and local procurement regulations should occur, the more stringent regulation will be followed.

FloridaCommerce has established compliant standards for construction. Construction contractors will be qualified through an invitation to bid process. To ensure full and open competition, through an invitation to bid process, FloridaCommerce will follow 24 CFR 570.489(g) at a minimum and all state procurement laws. Contractors will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1700lu), and implementing regulations at 24 CFR part 135. Contractors selected under FloridaCommerce will ensure, to the greatest extent feasible, that employment and other economic opportunities are directed to low-and very low income persons, particularly local residents and businesses that meet the qualifications of the project. Contractors will make every effort to recruit, target and direct opportunities to Section 3 residents and businesses as well as notifying Section 3 residents about training opportunities. FloridaCommerce will provide Contractors with helpful resources to maximize these efforts including, but not limited to, a Section 3 Business Registry, and examples of training and employment opportunities. Contractor procurement procedures will be monitored by FloridaCommerce.

4.0 Rental Property Owner Eligibility Requirements

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

1. October 2018 storm damage from Hurricane Michael (DR-4339).
2. Location of damaged property is within HUD- or state-identified Most Impacted and Distressed (MID) areas (twelve (12) designated most-impacted and distressed (MID) counties, as approved by HUD: Franklin, Gadsden, Leon, Liberty, Taylor, Wakulla, Bay, Calhoun, Gulf, Holmes, Jackson, and Washington).
3. At least one rental property owner must be able to demonstrate U.S. Citizenship or Lawful Permanent Residency.
4. The rental property owner has proof of ownership at the time the disaster damage occurred and has maintained ownership.
5. Rental property owner is current on all loan obligations for the property.
6. Damaged structure is used as a long-term rental property and not as a second home or seasonal rental. Alternatively, the structure will be converted to a long-term rental property.
7. Property has unrepaired Michael-related damage.
8. Property location is environmentally feasible for repair or demolition and reconstruction.
9. Property taxes are current.
10. Income of existing or future tenants is or will be Low- to Moderate-Income (LMI).
11. Property is owned by private individuals or jointly owned by private individuals. Funding will not be provided to corporations, 501(c)3 non-profit organizations, or other non-governmental organizations.

4.1 Hurricane Michael Damage

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

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

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

4. If a rental property owner was denied assistance by FEMA, assistance through the CDBG-DR program may still be available as long as damage can be tied back to Hurricane Michael. Denial of assistance by FEMA may not be used as the sole basis for the denial of CDBG-DR assistance.

4.2 Location

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

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

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

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

For Mobile/Manufactured Housing Units (MHUs), the damaged MHU must have been located in one of these areas at the time of the storm. Alternatively, the property may be located in a non-MID designated area that received a presidential disaster declaration in response to Hurricane Michael.

4.3 Proof of U.S. Citizenship or Lawful Permanent Resident

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

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

- If the applicant, who also appears on ownership documentation, has a valid REAL ID compliant Driver's License or REAL ID compliant Identification Card, the program will consider this validation complete.
 - Note that due to Florida Department of Highway Safety and Motor Vehicles title transfer requirements, this is the only form of identification allowable for the replacement of MHUs.
- In the event a REAL ID compliant Driver's License or Identification Card is not available, applicants that have confirmed assistance using FEMA IA or SBA data for property assistance will be considered verified using this method since both FEMA and SBA validate legal residency as part of their application process.

- Applicants without a REAL ID compliant Driver's License, REAL ID compliant Identification Card, FEMA IA or SBA assistance, must submit one of the following:
 - Resident Alien Card;
 - U.S. Birth Certificate (verified against government issued photo ID); or
 - U.S. Passport or Certificate of Naturalization.

4.4 Proof of Ownership

The applicant must be the rental property owner, have owned the property as of October 10, 2018, the beginning date of the storm funded by this CDBG-DR allocation, and must currently own the property. Applicants in default or foreclosure on the rental property may not proceed.

Applicants with outstanding liens and judgments must clear the liens and judgments to participate in the program. Applicants will have 6 months from the date of application to clear such liens and judgments.

Ownership will be verified through tax records, title searches, or applicant provision of a warranty deed. The program may consider other proof documentation on a case-by-case basis.

4.5 Special Circumstances Related to Type of Ownership

The below-described exceptions may apply as special circumstances related to ownership of the damaged rental property.

4.5.1 Purchase Contracts

Evidence of purchase contracts must prove that a rental property owner was purchasing the property on a contract by:

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

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

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

4.5.2 Act of Donation

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

1. In writing,
2. Witnessed,
3. Notarized, and
4. Recorded in the public record.

4.5.3 Trust

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

The following is required to confirm eligibility:

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

The applicable agreements must be executed by trustee(s) unless the trust distributes the property to a beneficiary, in which event the beneficiary receiving the property must execute the applicable agreement.

4.6 Use of Property

Applicant must prove that the property is currently used as a rental property and that it will continue to be used for long-term rental, not vacation or seasonal rental purposes. Alternatively, the applicant must certify that the property will be used for long-term rental once it has been repaired, replaced or reconstructed. A loan agreement, deed restriction, covenant, or similar enforcement vehicle will be required and will be placed on the property because of an applicant obtaining assistance from HRRP. HRRP will monitor the marketing of the rental unit for compliance with applicable federal Fair Housing standards. Rent rolls will be evaluated each year for the term of the applicable affordability period, after construction has been completed, to verify that the property has been rented to LMI individuals/households and that rent rates are in compliance with program requirements.

4.7 Property Taxes

The property owner must be current on their property taxes, or current on a locally-approved payment plan through the local taxing authority. HRRP will have the applicant provide documentation from the local Tax Assessor's Office or may obtain such information electronically from a local Tax Collector's Office.

4.8 Property Type

Small rentals under this program are defined as residential structures containing four or fewer units, or mixed use structures containing four or fewer units in addition to space used for other purposes (e.g. commercial).

4.9 Ineligible Applicants

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

1. Property owners who lost ownership of their property due to foreclosure are ineligible for assistance.
2. Corporations, 501(c)3 non-profit organizations, or other non-governmental organizations.
3. Persons and properties found to be non-compliant with FEMA regulations or failed to comply with the requirements of the National Flood Insurance Reform Act are not eligible for assistance. Noncompliance in this context means a property where the owner failed to obtain and maintain flood insurance after receiving federal funding for a previous disaster.
4. Property owners who do not meet any of the other eligibility criteria.

Note: All owner-occupied housing of one or two units will be processed through the HRRP Single Family Owner Program.

4.10 Certification Requirements to Receive Assistance

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

1. Allow program inspectors to access the interior and exterior of the property to evaluate damage. Failure to allow access to any portion of the property may result in the ineligibility of the property.

Small Rental Housing Guidelines for Hurricane Michael

2. Sign a release so that information provided by the applicant(s) can be shared with state and federal agencies and certain third parties in order to verify information given to the program. The applicant and co-applicant are required to sign the release (unless one of the eligible owners has provided Power of Attorney to the other to represent them, then the eligible owner does not need to sign the release).
3. Agree to verification of their ownership status, the amount of disaster-related damage to the property, and types of assistance received as a result of Hurricane Michael.
4. Agree to provide tenant income information to the program for review and approval prior to executing the lease and/or move in date.
5. Maintain flood insurance on the property in perpetuity if it is located in the 100-year floodplain.
6. Swear to the accuracy and completeness of all information provided to the program under penalty of law.
7. Agree to stop all on-going construction activities at the time of application.
8. Acknowledge that any duplication of benefit will be subject to recapture.
9. All applicants must agree to sign required programmatic documents to receive assistance. These documents are fully explained in later sections and in the legal documents executed at closing. This includes revised documents necessary to acknowledge changes post-closing. Failure to comply with this requirement will result in disqualification from the program and closure of the applicant file. Should disqualification occur, and program funds already be invested into the applicant's property, the applicant will be responsible for the repayment of all program funds through a recapture process.

All HRRP-assisted rental units must be restricted for Low- to Moderate-Income (LMI) persons during the affordability period. The rents, at a minimum, must comply with High HOME Investment Partnerships (HOME) Rents. Rents may not exceed 30% of the monthly income for a household earning 80% or less of the Area Median Income (AMI).

5.0 Duplication of Benefits (DOB)

5.1 Overview

Eligible applicants may have previously received assistance from other sources for the repair of their storm damaged property. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. §5121 et seq., prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss as to which he/she has received financial assistance under any other program, from private insurance, charitable assistance, or any other source. When possible, HRRP will electronically verify disaster recovery assistance received through federally and locally maintained datasets, such as FEMA, IA, and SBA disaster home loan datasets.

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

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

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

Any additional funds paid to rental property owner awardees for the same purpose as the HRRP housing assistance award after the State has completed the repair, rehabilitation or replacement of the rental property owner's housing units must be returned to FloridaCommerce.

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

5.2 FEMA Assistance (Disaster Recovery Grants)

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

FEMA assistance will be determined and verified by HRRP through the FEMA database. If HRRP is unable to verify the FEMA grant amount through the FEMA database, HRRP will use the payment amount provided by the rental property owner at the time of application.

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

5.3 FEMA National Flood Insurance Program (NFIP) Insurance

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

5.4 Increased Cost of Compliance (ICC)

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

5.5 Private Insurance

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

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

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

5.6 The Small Business Administration (SBA)

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

5.6.1 Declined SBA Loans

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

5.6.2 Cancelled SBA Loans

The applicant (borrower) has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement. The 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 duplication of benefits. Cancelled subsidized loan amounts are not considered a DOB, but are subject to further requirements below. Applicants may not take actions to reinstate the cancelled loan or draw any additional undisbursed loan amounts.

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

5.6.3 Accepted but Undisbursed SBA Loan Amounts

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

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

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

If necessary, the HRRP will revise DOB calculations retroactively to be consistent with this policy in order to address cases where SBA loans were counted as DOB prior to the issuance of 84 FR 28836 and 84

FR 28848. Further, all future calculations of DOB will exclude SBA loans that meet the parameters of this policy.

5.7 Exceptions to Duplication of Benefits

Not all assistance received by an applicant is considered a duplication of benefit for housing rehabilitation or reconstruction. Therefore, there are types of assistance received by an applicant which will not constitute a duplication of benefits for housing repair or reconstruction. The program will allow for reductions of duplication of benefit totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with 84 FR 28836, HRRP “must exclude amounts that are: (1) Provided for a different purpose; or (2) provided for the same purpose (eligible activity), but for a different, allowable use (cost)³.” Further, section IV.B of 84 FR 28836 describes other instances where funds are not be included in the duplication of benefit calculation, such as, but not limited to, personal assets, lines of credit, personal, loans, and funds that are not available to the appliance.

5.8 Allowable Cost of Repairs

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

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

For self-certification, the following requirements apply:

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

5.9 Contractor Fraud

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

5.10 Forced Mortgage Payoff

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

³ <https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-13147.pdf>

information with the applicant's mortgage company. Voluntary mortgage payoff, using insurance proceeds, is a DOB that will be counted in a rental property owner's award calculation.

5.11 Legal Fees

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

5.12 Tax Filings

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

5.13 Calculating the Amount of DOB Offset

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

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

The HRRP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the storm-related repairs performed by conducting a Damage Repair Valuation (DRV). Self-certified statements of rental property owners must be reviewed in detail by HRRP to determine:

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

The value of eligible repairs, as determined by HRRP, will be compared to the total amount of benefits received.

HRRP will conduct a DOB analysis to determine if there exists a DOB Gap. DOB Gap is the total amount of excludable and non-excludable benefits received less the amount of excluded benefits (excludable benefits). If the amount of non-excludable benefits is greater than \$0.00, that creates a DOB gap. The DOB Gap amount along with all future non-excludable benefits received by applicant(s) shall be provided to FloridaCommerce and deposited in a DOB Gap Funding Account prior to signing the Rental Loan Agreement.

5.13.1 Repair and Replacement

Applicants with DOB Gaps for repair or replacement must fund the shortfall in order to complete construction. If an applicant elects to fund a shortfall, the rental property owner must secure the funding before the time of signing the Rental Loan Agreement. Repair expenses in excess of the prior benefits received will not be reimbursed by the program.

5.13.2 Reconstruction

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

5.14 Subrogation

Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, an applicant must enter into a subrogation agreement where the funding agency (FloridaCommerce) obtains the right to collect any additional benefits, including but not limited to, disaster recovery or insurance payouts, the rental property owner receives for Michael damage after the applicant has entered into a loan agreement for HRRP benefits.

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

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

6.0 Inspections and Environmental Reviews

6.1 Inspections and Environmental Reviews Overview

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

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

6.2 Initial Inspection and Damage Verification

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

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

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

6.3 Eligible and Ineligible Items

Items damaged by Hurricane Michael, such as air conditioners, heating systems, and water heaters are eligible to be replaced under the HRRP. Appliances and housing components that are not integral to the structure of the property and are not essential to basic health and safety, such as washers, dryers, and detached garages and carports are generally not eligible to be replaced under the HRRP. In those cases where zoning or Homeowner's Association (HOA) guidelines may require carports and/or garages, detached garages and carports maybe considered in those instances. 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.

6.4 Environmental Review

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

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

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

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

6.5 Elevation Requirements

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

- Substantially damaged homes, as determined by the local jurisdiction, will require elevation to the program's two feet above the Base Flood Elevation (BFE) requirement or the local requirement, whichever is higher. Homes that will be substantially improved by the program, as determined by the local jurisdiction's evaluation of program scope during the permitting process, will require elevation to the program's two feet above the BFE requirement or local requirement, whichever is higher.
- Any slab on grade construction requiring elevation as a result of the local jurisdiction's substantial damage/improvement determination will be reconstructed at the two feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher as the program will not attempt to elevate a slab-on-grade structure.

- Homes with pier and beam construction requiring elevation as a result of the local jurisdiction's substantial damage/improvement determination will be elevated at the two feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher.
- Replacement Mobile/Manufactured Housing Units (MHU) requiring elevation above the standard installation height of three feet will be replaced with a modular housing unit elevated at the two feet above the BFE elevation height or local jurisdiction height requirement, whichever is higher, unless the MHU is on leased land, in which case relocation of the MHU outside of the floodplain will be required. Exceptions include if the MHU is located within a floodplain and requires to be elevated more than three (3) feet, then the applicant may be eligible for a stick-built home (see section 6.4).

6.6 Elevation Certificates

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

7.0 Award Determination

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

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

The formula below is how the program will calculate a rental property owner’s award:

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

7.1 Eligible Repair Costs/Need

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

7.2 Calculating Potential Duplication of Benefits

The full DOB will be accounted for at the time of the repair award calculation. The DOB analysis will be completed during the eligibility review of a rental property owner’s file, prior to the execution of the Loan Agreement and again prior to the processing of the final draw of funds.

All DOB funding must be accounted for prior to the rental property owner receiving an award. Rental property owners with a duplication must place all DOB funding in the program’s DOB Gap Funding Account, an account controlled by FloridaCommerce. Further guidance on DOB Gap Funding Accounts will be provided by the program.

SAMPLE AWARD TABLE

Program Information	
Household Income	
Household Members	
AMI Percentage	

Damaged Structure Type	
% Damage	
Benefit	
Other Assistance Received	
FEMA IA	
SBA	
Homeowners Insurance	
Flood Insurance	
ICC	
Non-profit/Other	
Total Disaster Assistance	
Allowable Eligible Activities	
DOB Gap Funding Required at Closing	

7.3 Zero Award

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

8.0 Preconstruction

8.1 DOB Gap Funding

During the HRRP program, there will be three checkpoints where Duplication of Benefits (DOB) will be analyzed to determine if any DOB Gaps exists. A DOB analyses will be conducted: (1) during the eligibility review of a homeowner's file; (2) prior to the execution of the Grant Agreement; and (3) prior to the processing of the homeowner's file for closeout.

If a DOB Gap exists that is the responsibility of the applicant/homeowner, the particular DOB analysis checkpoint will determine what options, if any, the applicant has in order to resolve the DOB Gap.

8.1.1 Rehabilitation

If the program is rehabilitating the damage property and the DOB Gap is discovered during eligibility review or prior to execution of the Grant Agreement, the applicant *must* provide additional funds to be deposited into a DOB Gap Funding Account prior to the start of rehabilitation. If the applicant does not deposit additional funds, then rehabilitation will not start on the damage property until the DOB Gap is resolved. Given that rehabilitations will only bring the home back up to current code or program standards, the scope reduction option to cover DOB Gaps cannot be offered on rehabilitation projects.

If the DOB Gap is discovered prior to closeout, then the applicant must deposit additional funds into the DOB Gap Funding Account prior to closeout. If the applicant does not deposit the additional funds, then the program will follow the subrogation/recapture procedures described in Section 8 of the Guidelines.

8.1.2 Reconstruction or Replacement

If the program is reconstructing or replacing the damaged property and the DOB Gap is discovered during eligibility review or prior to execution of the Grant Agreement, the applicant shall either (1) provide additional funds to be deposited into a DOB Gap Funding Account prior to the start of replacement or (2) take a scope reduction to select a smaller, lower-priced home than what the homeowner qualifies to receive from the program. The cost differential between the home for which they qualify and the lower priced home they select will be used to offset any DOB Gap. If the DOB Gap is discovered prior to closeout, then the applicant must deposit those additional funds into the DOB Gap Funding Account prior to closeout. If the applicant does not deposit the additional funds, then the program will follow the subrogation/recapture procedures described in Section 8 of the Guidelines.

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

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

The homeowner 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 HRRP program will assist the applicant with choosing a smaller house plan.

8.2 Lead-based Paint and Asbestos Hazard Identification

Lead-based paint inspection provides two benefits: (1) the costs of mitigation measures are considerable and must be factored into the cost estimates for repair/feasibility analysis and (2) the health risks to residents, particularly children and the elderly, may be severe. If the unit to be assisted was built prior to 1978, and will be rehabilitated, the assisted unit will be tested for the presence of lead- dust hazards. If present, the stabilization, encapsulation or removal of lead-based paint will be considered in the costs of rehabilitation and included in the feasibility analysis for repair versus reconstruction. Projects that will be reconstructed will result in the demolition and removal of the structure, and therefore any potential lead

hazards associated with the structure. As such, no lead-based paint testing will be conducted on reconstruction projects determined to be such at the time of the initial site inspection.

Federal asbestos regulations for testing and identification of asbestos apply to “facilities” as defined by those regulations. Single family housing does not meet this definition and is therefore exempt from the testing and identification requirements. Additionally, the State of Florida does not have any state level requirements for asbestos testing in housing projects. However, federal health and safety standards and materials handling and disposal requirements for asbestos containing materials (ACM) still apply at the construction phase.

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

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

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

8.3 Development of Costs for Repair Projects

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

8.4 Replacement Mobile/Manufactured Housing Units (MHUs)

Mobile/Manufactured Housing Units (MHUs) greater than 5 years old or with \$15,000 worth of eligible repairs (including hard and soft construction costs) will be replaced and not repaired. Replacement is the demolition, removal, and replacement of a damaged MHU with a new MHU in substantially the same footprint or at a new location if the original damaged unit was on leased land and the MHU owner must relocate to a new property. Exceptions include if the MHU is located within a floodplain and requires to be elevated more than three (3) feet, then the applicant may be eligible for a reconstructed stick-built home if the applicant is the owner of the property where the MHU is located and the reconstructed home is allowable by local code and zoning.

For both new MHU replacements and stick-built home replacements, standard floor plans that meet program standards will be available. Size of the replacement MHU or stick-built home will be based on size of the damaged unit. The new unit bedroom/bathroom configuration will be determined by the program’s standardized mobile home replacement configuration.

8.4.1 Replacement MHU Relocations

Replacement MHU relocations are limited to applicants whose damaged MHU is located on leased property and whose (1) landlord/property owner will not allow for a replacement MHU to be placed on that property or (2) leased property is in a floodplain with an elevation requiring a modular home instead of mobile home. Relocation of a replacement MHU is restricted to the installation of a replacement unit to a location outside of the 100-year floodplain, a floodway, or Special Flood Hazard Area (SFHA, or “floodplain”) which is at an established mobile home park or other land with an existing pad and utility infrastructure within a HUD- or state-identified Most Impacted and Distressed areas.

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

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

8.4.2 Environmental Review Record

An Environmental Review Record (ERR) must be completed on the original damaged site and the new site on which the replacement unit will be installed for applicants of an MHU relocation. In order for the program to assess the new location, the applicant must have one of the following: (1) a lease agreement for leased land; (2) an agreement to hold the leased lot; or (3) a purchase agreement or deed for owned land in place at the new location. Copies of lease, agreement to purchase or ownership documentation must be submitted to the program prior to the program scheduling an ERR at the new site.

8.4.2.1 New Site Requirements

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

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

8.4.2.2 Elevation and Flood Insurance

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

8.5 Reconstruction Determinations and Plan Selection

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

8.5.1 Reconstruction Plans

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

Following determination of the reconstruction project, the program will obtain a site-specific survey and elevation certificate (if necessary) of the property to be reconstructed to determine the properties that fit on the lot without any zoning exceptions/variances. The applicant will be presented with a design to replace the existing unit/bedroom/bathroom counts by the program.

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

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

8.5.2 Unsafe Conditions

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

8.5.3 Demolished Structures

If a structure has been demolished or partially demolished, the Assessor shall take photos to document the condition and complete the Initial Inspection Short Form.

8.6 Contractor Assignments and Construction Agreement

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

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

1. Construction Quality – Construction quality will be measured by the number of passed program inspections vs. the total number of inspections. The higher the quality score, the higher the grade for the GC.
2. Timeliness of Construction – Construction timeliness will be a construction speed measurement between all contractors. The clock will start upon issuance of the Notice to Commence

Construction (NTC) and will end with a successful final inspection. All components of the program final inspection must be met to secure a passing final inspection.

3. Customer Service – General Contractors are expected to keep rental property owners apprised of construction efforts on their properties. Typically, GCs that do not coordinate and communicate with rental property owners have a high number of customer service complaints. While this is not a hard and fast rule, it is more common when rental property owners are not kept informed. As such, the program will track rental property owner complaints vs. total number of properties completed to come up with a customer service score.
4. Construction Capacity – Overall construction capacity is typically governed by a contractor’s liquid financial resources, bonding capacity, and management plans. The program will review contractor capacity documentation and make recommendations on capacity to the Florida FloridaCommerce. Typically, as contractors approach or exceed their construction capacity, construction quality and timeliness are negatively impacted. The goal of the program should be to strike a balance with the contractors to assign them sufficient work to hit peak performance which will be a lower number of assignments than their maximum capacity.
5. Construction Type – There are many different GCs approved by the Florida FloridaCommerce in their GC Contractor pool. The program does not assume that all contractors will do all types of work in all areas the same. As such, the program assignments will take into consideration whether a GC prefers reconstructions, or rehabilitations, or MHU replacements.
6. Construction Location – The program will confirm that the project location is within an area that can be effectively completed by the GC. It is understood that not all contractors will serve the entire 12 county included in the Hurricane Michael recovery efforts.

Once assignments recommendations are developed by the program, the program will make contact with the potential GC to confirm each assignment. Upon confirmation with the GC, the program will officially make the assignment recommendation to the Florida FloridaCommerce. Florida FloridaCommerce, as the contract holder for the GCs, will then review and approve/comment on the assignment recommendations made by the program. Following receipt of Florida FloridaCommerce approval, the assignment will officially be made in Canopy and the GC will be issued a Notice to Proceed to complete pre-construction activities. Canopy is the System of Record (SOR) that is being utilized for Hurricane Michael.

8.7 Required Program Documents

The following documents will be signed by the rental property owner at the time of closing and execution of the Rental Loan Agreement.

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

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

If the work to be performed is a reconstruction, the applicant will be shown sample renderings of the property along with basic floor plan information. Applicant signature will be obtained on the plans and on their selection.

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

8.8 Notice to Proceed

Notice to Proceed is given after HRRP approves the Rental Loan Agreement and performs all administrative assignment procedures. This is the point at which the applicant and/or tenant is notified to vacate and remove belongings from the property (if necessary), the contractor obtains necessary permits, the contractor provides performance and payment bonds (if applicable), and utilities are terminated (if applicable).

8.9 Notice to Begin Construction

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

8.10 Contractor Requirements

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

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

Small Rental Housing Guidelines for Hurricane Michael

Upon receipt of applicant warranty request, the program will review the applicant scope of work to determine if their claim is a valid warranty request. The call and subsequent disposition will be logged into the warranty module within the system of record and if required, the contractor will be notified of the claim. The contractor will then be required to address the warranty claim and report back to the program when complete. The program will ensure that the work is complete to the reasonable satisfaction of the program applicant and will close the warranty ticket within database of record.

9.0 Construction

9.1 Overview

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

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

Repair will be limited to stick-built and modular structures that have been deemed feasible for repair or Mobile/Manufactured Housing Units (MHUs) that have been deemed feasible for repair as outlined in section 1.13 Feasibility Analysis..

Reconstruction will be defined as the demolition, removal, and disposal of an existing housing unit and the replacement of that unit on the same lot, and in substantially the same footprint, with a new unit that complies with the International Residential Codes (IRC) as required by Florida Building Code. Note that reconstruction is not eligible under the HRRP Rental Program.

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

Elevation will be conducted by means of pier and beam construction. Fill to achieve proper elevation height up to 3 feet above grade, if permissible within zoning regulations, will be eligible if determined by the architect/engineer of record. Note that elevation is not eligible under the HRRP Rental Program.

9.2 Lead-based Paint Disturbance and Mitigation

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

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



Example Signage

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



Example Signage

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

9.3 Repair and Reconstruction Progress Inspections

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

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

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

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

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

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

9.3.1 MHU Replacement Inspection Requirements

MHU replacement projects will only have 1 program inspection, at completion of all scope items. The Final Inspection will ensure the following items have been completed:

- Final Inspection – 90% payment milestone
 - Proper disposal of unit being removed (inclusive of salvaged title if required by FL)
 - All site work and landscaping completed
 - All utility work completed and reconnected
 - Unit installed, leveled, demobilized
 - All appliances installed and functioning properly
- Title Work Completed – 100% payment milestone

9.4 Final Inspection and Warranty Information

Once the contractor has completed all construction activities outlined in the Estimated Cost of Repair (ECR), the contractor will request a Final Inspection to guarantee that all work has been satisfactorily completed according to the appropriate state and local codes and standards and accepted by all appropriate building code enforcement and third-party inspectors, and that the property meets HUD Housing Quality Standards (HQS) as defined in the Definitions section of this document. The applicant has the right to sign off on the Final Inspection; however, HRRP reserves the right to waive the applicant’s signature if the HRRP deems all repairs have been completed and the applicant delays signing.

9.5 Re-Inspections

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

9.6 Change Orders

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

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

9.7 Method of Payment/Invoice

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

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

9.8 Property Owner Responsibilities During Construction

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

1. Upon signing the contract, the applicant and/or tenant will have 90 calendar days to move out of the property and store any valuable personal property that might be damaged during the course of construction.
2. The applicant and/or tenant must arrange access to the property for building contractors providing construction services. If reasonable and timely access is denied to a building contractor who is attempting to make a good-faith effort to perform required repairs, the rental property owner will be removed from the program.
3. The applicant and/or tenant is responsible for the security of his/her property and personal belongings. Movement, storage, and security of personal property are the rental property owner's responsibility. Replacement or reconstruction benefit applicants will be provided with up to two (2) temporary on-site storage unit for rental property owner's use.
4. If provided with an on-site storage unit, the applicant and/or tenant will be required to remove all belongings from the onsite storage unit within fourteen (14) days of completion of final inspection or key turnover. The unit will be removed by the contractor within the following fourteen (14) days. Any items remaining in the unit after fourteen (14) days will be removed from the unit and placed on the rental property owner's property so the unit can be removed.
5. During construction the applicant and/or tenant must not interfere in repair areas and must make a reasonable effort to stay away from the construction zone. Applicants are required to schedule site visits with the construction superintendent if site visits are needed/wanted. Applicants, at a minimum, will be able to inspect the work prior to each scheduled program inspection.
6. All debris, abandoned vehicles and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from

the property prior to the start of construction. Applicants and/or tenants must remove dilapidated personal property.

7. The applicant must provide all existing utilities as needed for use by the building contractor during construction. These utilities will be provided at the applicant's cost. Neither the program nor the contractor will be liable for any utility payments on the property during the construction phase of the project.
8. In accordance with the requirements in the Loan Agreement, the applicant will agree not to transfer ownership of the property or any interest in the property except as permitted by the Rental Loan Agreement.

10.0 Post Construction

10.1 Post Construction Affordability Compliance

The Rental Housing Program includes compliance period monitoring during a post-construction affordability period that must be followed per federal regulations. Affordability requirements include:

1. Maintaining ownership of the property for at least one year after loan closeout.
2. Maintaining the property as an affordable rental property for the minimum five-year affordability period.
3. Leasing at least 51% of all units to tenants who have eligible LMI household incomes (80% AMI or below).
4. Charging rents that are at or below, at a minimum, High HOME rents.
5. Following income certification and verification procedures and keeping records on all tenants' income.
6. Maintaining complete and accurate rent rolls.
7. Providing an annual compliance report to FloridaCommerce to demonstrate compliance with the loan agreement and restricted use of the property
8. Renting units in accordance with HUD Fair Housing Standards
9. Transferring the affordability period and warranties with the property title in the event of sale.

10.2 Closeout Review

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

Once the initial end-to-end file review is completed by the case manager, the file is routed to the eligibility and DOB/VOB QA/QC team. The QA/QC team may correct any issues with the file, return the file to case management for additional work, or approve the file for routing to FloridaCommerce for final review and approval.

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

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

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

8. Applicant communications;
9. Applicant documentation (backup documents, loan agreement, etc.); and.
10. Construction documentation (inspection reports, change order cost reasonableness, etc.).

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

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

10.3 Subrogation

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

If during the closeout review process the DOB reassessment results in a finding that additional duplicative funds were provided to the applicant, FloridaCommerce will notify the applicant of the duplicative funding amount. This letter will include demand for payment of the funds that must be subrogated to the program. The applicant must submit these funds via certified check to FloridaCommerce.

10.4 Recapture

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

These projects will have a five (5) year monitoring period post construction (1-4 units). The properties must be restricted to LMI tenants and rents must be restricted to approved rates that preserve affordable housing options. FloridaCommerce will monitor for compliance via rent rolls, lease agreement review, and other supporting documentation on a yearly basis. Rental applicants have an ongoing obligation to comply with monitoring and meet compliance requirements during this period. Failure to rent the assisted property to LMI individuals at restricted rates will result in recapture of the total amount of funding provided by FloridaCommerce for the construction of the project.

Appendix A: Affirmative Marketing Plan

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

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

Appendix B: Reconsiderations/Appeal/Complaint Process

RECONSIDERATION REQUESTS, APPEALS & COMPLAINTS

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

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

FloridaCommerce Requests for Reconsideration

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

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

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

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

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

Should an applicant disagree with the result of a request for reconsideration, the applicant will be provided with a notice of administrative right to appeal and instructions for the appeal process.

In order to request a reconsideration, please submit a written notice to michael.reconsiderations@rebuildflorida.gov or submit by postal mail to the following address:

Rebuild Florida

Michael Housing Repair and Replacement Program

Attention: Reconsiderations Team

545 John Knox Road, Suite 102

Tallahassee, FL 32303

FloridaCommerce Complaints

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

Florida Department of Commerce

Division of Community Development

Attention: Rebuild Florida Constituent Services

107 East Madison Street, Caldwell Building, MSC 420

Tallahassee, FL 32399

HUD Complaints

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

Department of Housing and Urban Development

Charles E. Bennett Federal Building

400 West Bay Street, Suite 1015

Jacksonville, Florida 32202

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

Appeals

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

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

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

Attention: Office of Disaster Recovery, Appeals Lead

Florida Department of Commerce

Division of Community Development
107 East Madison Street Tallahassee, FL 32399

Formal Appeal / Notice of Administrative Appeals Rights: Any person whose substantial interests are affected by FloridaCommerce's determination has the opportunity for an administrative hearing with the Division of Administrative Hearings pursuant to section 120.569, Florida Statutes. For the required contents of a petition challenging agency action, refer to rules 28-106.104, 28-106.201, and 28-106.301, Florida Administrative Code.

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

Agency Clerk Department of Commerce
Office of the General Counsel
107 East Madison Street, MSC 110
Tallahassee, Florida 32399-4128
Fax: (850) 921-3230
Email: Agency.Clerk@Commerce.fl.gov

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

FloridaCommerce URA Appeals

Applicants may appeal any case in which he or she believes that FloridaCommerce has failed to properly consider his or her application for assistance. This includes, but is not limited to, the applicant's eligibility for, or the amount of, a payment required for relocation assistance. The applicant must appeal within 60 days of receiving a written determination from the program outlining the program's decision related to his or her eligibility for benefits or amount of benefits

Households have the right to appeal the following agency determinations:

- Eligibility for URA assistance, including the requirement to relocate
- Amount of relocation or other related expense payments
- Timeframe to exercise rights and entitlements of URA, including relocation timeframes

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

Appeals must be submitted within sixty (60) of the date the person receives notification of FloridaCommerce's decision regarding his or her claim and must be directed to FloridaCommerce in writing to the following postal address:

ATTN: URA APPEALS
Florida Department of Commerce
Division of Community Development
107 East Madison Street
The Caldwell Building, MSC 420
Tallahassee, Florida 32399

For more information see Office of Long-Term Resiliency's Uniform Relocation Assistance Guide and Residential Anti-Displacement and Relocation Assistance plan that can be found [here](#)

Complaints

The state will provide a written response to all complaints within 15 working days of receipt of the complaint. Following the initial response, the state will make every effort to provide a resolution to complaints within the 15-working day period. If a resolution cannot be reached within the 15-working day period, the complainant will receive a status update on the issue(s) and, if possible, a timeframe for when a resolution can be reached. Constituent Management Services Lead will monitor response times to ensure compliance and will adjust timeframes for additional responses as needed.

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

Citizen Complaints

All complaints and inquiries that are brought forward will be addressed through the Office of Disaster Recovery's Constituent Management Services staff. Complaints are any verbal or written statement of grievance – including phone calls, emails, faxes, or letters that are received by the state, its contractor, and/or other program sources. Inquiries are requests for information or assistance. All complaints and inquiries that are received will be reviewed by the Constituent Management Services staff for:

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

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

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

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

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

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

Attention: Rebuild Florida Constituent Services
Florida Department of Commerce
Division of Community Development
107 East Madison Street Caldwell Building, MSC 420
Tallahassee, Florida 32399

2. Via email to: cdbg-dr@Commerce.fl.gov

3. Directly to a program-level representative:
 - A. Via calling the Rebuild Florida HRRP Michael hotline at 888-530-3025 to receive assistance from a Call Center Agent.
 - B. In-person at an Customer Service Center to receive assistance from an Intake Specialist

Fair Housing Complaints

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

FairHousing@Commerce.fl.gov

Contractor Fraud

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

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

All suspected cases of fraud will be taken seriously, and complaints will be reported to FloridaCommerce's Office of the Inspector General at OIG@Commerce.fl.gov. If FloridaCommerce determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

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