

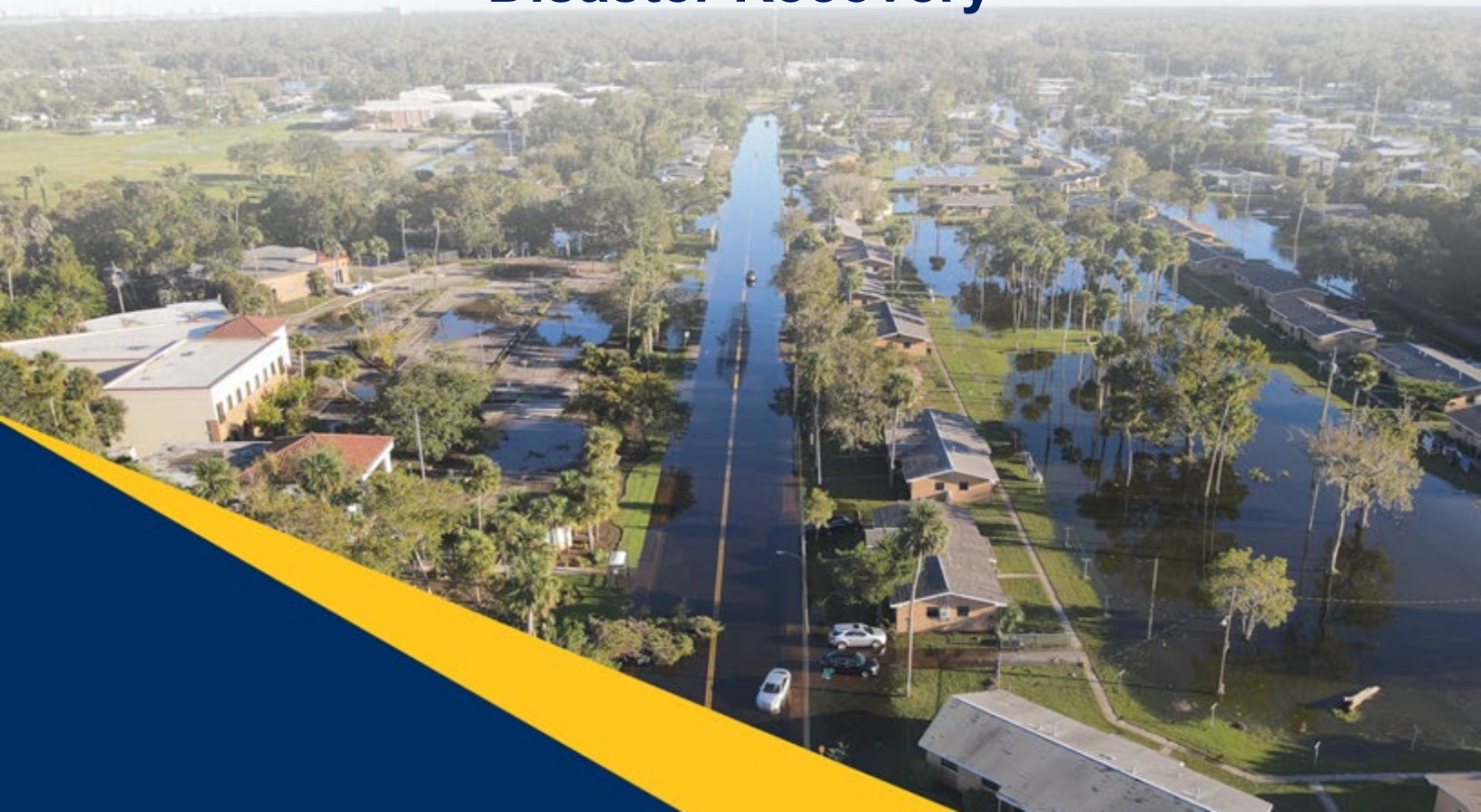


TRANSFORM386

STRENGTHENING VOLUSIA'S FUTURE

Single Family Repair and Replacement Program Policies and Procedures

Community Development Block Grant – Disaster Recovery



3.0 Damage Assessment

This section is designed to give an overview of the damage assessment process and to provide the Damage Assessor (DA) with an inspection protocol for the damage assessment, which will be used to create an Estimated Cost of Repair (ECR) for applications seeking rehabilitation and reconstruction and/or a Damage Repair Verification (DRV) for applications seeking reimbursement for work completed prior to application. For applications in the rehabilitation and reconstruction pathway, the ECR serves as the basis for the Scope of Work and is critical for determining whether a home will need to be reconstructed or elevated.

3.1 Process Overview:

The process that ORR and the Damage Assessors will follow to complete the ECR is as follows:

- Applicants will sign a Right of Entry form during the application/intake process.
- A staff member from the Office of Recovery and Resiliency (ORR) will call the applicant to schedule the site visit with the Damage Assessor and a member of ORR with a minimum of a three day/72-hour notice. ORR will schedule and track the damage assessment in the System of Record (SOR).
- The purpose of the site visit is to gather required documentation for the Environmental Tier 2 assessment, verify storm damage, verify completed repair work, and produce an Estimated Cost of Repair (ECR) that quantifies the work needed to repair, replace or rebuild the applicant's structure and, if applicable, work that has been completed by the applicant prior to the damage assessment.
- The DA must ensure that the ECR takes into account all local building code requirements as well as the Single Family Repair and Replacement Program's Housing Quality Standards (HQS) (see Appendix A, ORR Housing Quality Standards).
- The DA will use Xactimate estimating software to produce the ECR. If the applicant homeowner completed repairs to the property prior to the damage assessment, the Estimated Cost of Repair will also include a Damage Repair Verification (DRV) subsection.
- Each Damage Assessor's Xactimate software will be uploaded with the approved universal price list including sales taxes and overhead and profit to ensure that consistent and correct pricing is used throughout the project.
- After a complete exterior and interior room-by-room assessment of the dwelling has been completed, the DA will record the quantities of eligible and damaged items throughout the structure and will produce an ECR that determines what will be needed to repair the house in accordance with program policies.
- The DA will review documents for overall accuracy prior to submission to ORR, ORR's APM for Construction or their designee will review for completeness.
- ORR will conduct a Duplication of Benefits Analysis to determine the award amount.
- The Implementation Contractor (IC) will review the ECR and confirm with ORR the equivalent reconstruction cost so that ORR may conduct a feasibility analysis to determine which rehabilitation pathway is appropriate.

3.2 Damage Assessment Procedures:

- a. INSPECTORS ARE NOT TO PLACE THEMSELVES IN HARMS WAY DUE TO UNSAFE CONDITIONS OR HAZARD (refer to the example of Hazardous Conditions sub-section below). If unsafe or hazardous conditions exist, the inspector is to document the condition via photographs taken from a safe area, and in the coversheet narrative section summarize the unsafe existing conditions. Do not continue with the inspection. Document as much of the premises as possible with photographs and inform ORR's APM for Construction or the IC of the unsafe conditions. A determination of how to proceed will be made either ORR or the IC.
- b. Upon receipt of a work order for inspection, the Damage Assessor (DA) is to familiarize themselves with the route(s) required to allow for adequate travel time to arrive at the applicant's dwelling in a timely fashion.
- c. ORR staff will confirm the time of the site visit with the homeowner and accompany the Damage Assessor during the visit.
- d. The DA and at least one member of ORR's staff will arrive at the applicant's home at the scheduled time and date, present his/her photo ID badge, explain the purpose of the visit, and provide a brief overview of the assessment process.
- e. The DA will complete the environmental questionnaire and document the description of the structure inclusive of the roofing type, exterior building envelope type, floor plan and square footage, electrical system size, electrical breaker type, electrical wiring type, plumbing system type, domestic water distribution piping type, water utility type (public service or well), gas utility type (public service or tank), sewer service (municipal service, septic tank or wastewater treatment plant), and Heating/HVAC system.
- f. If the sewer service is determined to be a septic system, then the Damage Assessor must assess the existing system and determine if it needs to be replaced and provide a written report.
- g. The DA will observe each space within the home to identify damages and repair items to produce an Estimated Cost of Repair (ECR).
- h. Photographs will be taken in each space of the dwelling and its exterior to adequately document the existing condition of each scope item that is determined. The importance of good quality photographs in the damage assessment cannot be overstated. These photographs provide important historical context for the project, a tool to produce a good initial ECR, as well as evidence of the potential need to change a project type to reconstruction or replacement. The following list is a basic list of features/areas to photograph. The list is not meant to be all-inclusive. Photograph all listed items/areas, but do not limit photographs to those listed. Damage assessments are our first look at a home and more photographs provide a more complete assessment of the home's condition. More is always better, and when in doubt, photograph. The Damage Assessment photos requirements are:

- i. **Elevations:** Photograph all elevations at a distance great enough to view entire elevation (front, rear, left, and right). Note that multiple photos may be required if the elevation is extremely wide or has unusual features such as alcoves, garages, etc.
- ii. **Home siding:** Photograph general condition of and all damages to brick, block, vinyl, aluminum, wood, composite, stucco, etc. to include holes, peeling/chipping paint, termite damage, rot, etc.
- iii. **Foundation (exterior):** Photograph any visible skirting, brick, block, stone, or other material used to enclose the crawlspace.
- iv. **Roof:** Photograph all areas of the roof at a distance and photograph any damaged areas close up. Also, provide a photograph of the pitch reading(s). Pay special attention to (and photograph) the junction of chimney and roof, any valleys, hips, or other unusual roof features. Photograph all fascia and soffits.
- v. **Attic:** Photograph all areas of the attic to include corners, insulation (or lack thereof), areas hidden behind chimneys, rafters, ventilation, plumbing exhausts, air handlers (if applicable), ductwork, water damage, fire damage, sheathing (if visible), etc. The only exception to providing extensive photos of the attic is if the attic is not accessible (no access door) or does not exist (MHU, etc.). The inability to photograph the attic must be adequately explained in the damage assessment narrative.
- vi. **Additional Exterior:** Photograph any gas meters, rain gutters, downspouts, missing drip edge, faucets, chimneys, doors, windows, stairs, steps, porches, railings, balconies, driveways, walkways, encroaching trees or bushes, apparent drainage issues, well pumps, wellheads, expansion tanks, standing water, fences, sheds, other structures, or other features which might affect the home not separately listed here.
- vii. **Crawlspace (including basements):** Photograph all areas of the crawlspace (not just from the door/access) to include the corners, insulation (or lack thereof), ductwork, visible sill plates, joists, rim joists, piers, condition of foundation walls, subflooring (if insulation is missing in any area), standing water, evident termite damage (active or inactive), any HVAC equipment, water heaters (traditional or continuous), drain lines, water supply lines, electrical wiring, or other features not covered here. The inability to photograph the crawlspace must be adequately explained in the damage assessment narrative.
- viii. **Electrical:** Photograph the electrical panel(s), meter, light switches, electrical outlets (notate distance from water source as needed), and any exposed wiring (crawlspace, attic, open walls, etc.).
- ix. **Garage:** General interior photos are needed. Additionally, photograph any damages to the ceiling or shared wall with living space wherein a rodent might gain access to the living space, crawlspace, or attic.

- x. **Plumbing:** Photograph all fixtures (toilets, faucets, ice maker lines, water heaters, tubs, showers, vanities, hot and cold supply lines, drain lines (beneath sinks), dishwasher lines, garbage disposal lines, etc.
 - xi. **HVAC:** Photograph all heating, ventilation, and air conditioning equipment to include package units, split systems, gas packs, electric heaters, window units, baseboard heaters, heat pumps, condenser units, air handlers, mini-split units, and any type not covered here. Photograph serial number plates to determine age of equipment.
 - 1. Inspectors must obtain a visual verification of conditions inside the ductwork in order to confirm whether microbial growth may exist.
 - 2. Visual verification should be based on directly observable indicators of microbial growth, and, if applicable, verbal confirmation from the applicant homeowner.
 - xii. **Appliances:** Photograph all appliances to show condition or any damages prior to construction.
 - xiii. **Interior:** Photograph all rooms to include an overview, all walls, flooring, ceilings, visible water stains or separating drywall joint tape, ceiling/wall junctions, corners, wall/floor junctions, visible holes (walls, ceilings, floors), flooring trip hazards or soft flooring, windows, doors, cabinets (including photos under sinks), vanities, closets, ceiling or wall light fixtures, ceiling fans, thermostats, fireplaces, stove exhaust fans/hoods, bathroom exhaust fans, smoke or carbon monoxide detectors, or any other feature not listed here.
 - xiv. **General:** Any feature or area not covered above.
 - i. Reference photos from the street are also required,
 - j. Exterior photos with address verification (house number on porch or mailbox) are also required,
 - k. The DA will measure and provide a sketch of the entire structure including each room or space in the house.
 - l. The on-site damage assessment will be complete once all damages are observed, measured, and quantified.
 - m. Once the on-site damage assessment is complete, the DA will upload the ECR into the SOR and the case will proceed to Duplication of Benefits (DOB) Analysis.
2. Environmental:
- a. The Damage Assessment will also include a questionnaire of environmental site conditions for purposes of completing the Tier 2 Environmental Site Review and assessing environmental factors that may affect construction. In order to complete the questionnaire, the Damage Assessor will photograph and note the presence of the following:
 - i. What is the elevation of the residence in relation to the crown of the road.

- ii. Are there any visual signs of a toxic or solid waste landfill site in proximity of the proposed project location?
- iii. Is there evidence of any storage tanks on site?
 - 1. If yes, indicate the following:
 - a. Tank type; underground or above ground
 - b. Tank size
 - c. Tank content
 - d. Is the tank active or inactive; if inactive, has it been properly abandoned?
- iv. Are there any visual signs of possible contamination of soil at the proposed project location?
- v. If the structure was constructed before 1989:
 - 1. Are there any visual indications of possible asbestos containing material in the proposed work area(s)?
- vi. If the structure was constructed before 1978:
 - 1. Are there any visual indications of possible lead-based paint in the proposed work areas?
- vii. If the proposed project involves possible replacement, re-construction, or substantial exterior rehabilitation:
 - 1. Are there any visual signs of bald eagles' nests on or within proximity to the proposed project location?
 - 2. Are there any visual signs of potentially endangered species or habitats on the proposed project location?
 - a. Examples include, but are not limited to: gopher tortoise, eastern indigo snake, everglade snail kite, red-cockaded woodpecker, Florida bristle fern, aboriginal prickly-apple, chapman rhododendron, Florida leafwing butterfly, gray bat, etc.
- viii. Does the structure appear to be located within a wetland?
 - 1. Is there evidence of standing water, such as a pond or stream, located on the site?
 - 2. Does the subject lot have water frontage?
- ix. If the structure is more than 50 years in age, or located in a known Historic District:
 - 1. Are there any visual signs that the structure may hold historical significance?
 - 2. Please be sure to provide streetscape photos in panoramic views beginning from the front view of the structure rotating clockwise.

- b. Repair items that have the potential to disturb asbestos or lead-based paint should be photographed and noted in the environmental questionnaire. If additional testing and abatement work are necessary, they will be included in the Estimated Cost of Repair.
 - i. Any required encapsulation or abatement of Lead Based Paint should be included in the Estimated Cost of Repair and included in the final Scope of Work.
 - ii. If ORR and the IC determine that the project will be a reconstruction, then demolition must include proper disposal methods for asbestos and/or lead-based paint as necessary.
3. Unsafe Entry:
- a. If unforeseen circumstances arise and a dwelling is deemed unsafe for entry by verbal advice of the applicant or by visual confirmation of the DA, photos of the exterior will be taken only and the Damage Assessment will be rescheduled. A short narrative describing the unsafe conditions should be included in the narrative of the ECR.

3.3 Hazardous Conditions Sub-Section:

Inspectors are to be cognizant of any hazardous conditions observed and should take precaution during the inspection so as not endanger themselves or anyone else on the premises. Examples of hazardous conditions include, but are not limited to:

- Low headroom ceiling, damaged or failing framing
- Fallen trees on the structure
- Subflooring removed or open floor joists
- Presence of extreme suspected mold or toxic substances
- Debris
- Electrical hazards
- Severely damaged or undermined foundation
- Aggressive pets
- Crumbling foundation
- Dead/live animals, vermin and/or insect infestation (termites, carpenter ants, carpenter bees)
- Aggressive neighbors
- Visibly observed weapons
- Condemned signs affixed
- Contaminated soil
- Poison ivy or other toxic plants impeding assessment
- Suspected asbestos (chipping, friable or converts to dust), heating pipes, siding (clapboards, shakes), floor tiles (usually 9 x 9), some sheet flooring (may be able to tell from the backing), fireplace flues, duct work, ceiling and wall tiles.

4.0 Duplication of Benefits

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C.5155) prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which he or she has received financial assistance under any other Program or from insurance or any other source. CDBG-DR funds issued through Volusia County may not be used for any costs when other disaster recovery assistance was previously provided by another source for the same purpose.

The Stafford Act directs administrators of Federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The amount of duplication is the amount of assistance provided in excess of need. (Federal Register/Vol.76, No. 221/Wednesday, November 16, 2011). The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. A Duplication of Benefits (DOB) occurs when:

- A beneficiary receives assistance;
- It comes from multiple sources (examples: private insurance, FEMA, NFIP, non-profits, etc.); and
- The total assistance amount exceeds the need for a particular recovery purpose

In accordance with the Stafford Act, the Single Family Repair and Replacement Program will use the following framework to assure that any funds provided by ORR are not a DOB:

1. Identify the total need for assistance prior to any assistance being provided;
2. Identify all potentially duplicative assistance received or to be received;
3. Deduct assistance determined to be duplicative;
4. Determine the maximum eligible award;
5. Determine the Program Cap (if applicable); and
6. Determine a Final Program Award.

Basic Framework for Calculating Disaster Recovery Awards

Amounts in calculation table below are for example purposes only and do reflect actual award amounts.

1. Identify Applicant's Total Need Prior to providing assistance	\$100,000
2. Identify all potentially duplicative assistance	\$35,000
3. Deduct assistance determined to be duplicative	\$30,000
4. Determine the maximum eligible award (item 1 less item 3)	\$70,000
5. Determine the Program Cap (if applicable), and	\$100,000
6. Determine final program award (less of items 4 and 5)	\$70,000

Eligible applicants may have received assistance from other sources. Under the requirements of "The Robert T. Stafford Disaster Assistance and Emergency Relief Act" (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, the Single Family Repair and Replacement Program must take into account certain aid received by applicants in determining the amount of assistance which

can be granted. The following are sources of funding assistance provided for structural damage and loss that may be considered a DOB and under federal law must be deducted from the assistance provided:

- FEMA Individual Assistance for Structure (IA);
- FEMA National Flood Insurance Program (NFIP) and/or Increased Cost of Compliance (ICC);
- Private Insurance;
- Small Business Administration (SBA);
- Charity; and/or
- Any other funding source that may duplicate assistance.

Recapture Duplication of Benefits

If a duplication of benefits is identified after an award is issued, ORR will attempt to recapture funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose. For additional information, please see Section 9.5, “Violations of Requirements and Recapture.”

Sources of Duplication of Benefits

The following are sources of funding assistance provided for damage and loss that may be considered a DOB. Under federal law DOB must be deducted from the assistance amount (the amount that will be offered for assistance to the home): FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Private Insurance, Small Business Administration (SBA) and other sources. Assistance received in the form of services instead of money, for home repairs from any source is not considered a duplication of benefits. Any additional duplication of benefits received by the applicant after the offer of assistance has been extended, the funding for the assistance to the home has been awarded or the assistance has occurred, must be applied to reduce the award amount. Funds received from any source including flood insurance, FEMA, and hazard insurance that were used to cover repair to the applicant’s home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance. Documentation must be provided demonstrating the cost and type of repair conducted. The Single Family Repair and Replacement Program will conduct a work write-up that will inspect, confirm, and estimate value of repairs based upon the applicant’s statement of repair work already completed.

Subrogation of Funds

All applicants will be required to sign a Subrogation Agreement as a part of participating in the Single Family Repair and Replacement Program. Applicants must subrogate any additional funds received for damage caused by the disaster back to Volusia County. **CDBG-DR funding must be funding of last resort**, and if additional funds are paid to an applicant for the same purpose as the housing assistance they receive through CDBG-DR funding after Volusia County has completed repair/rehabilitation/buy out of their home or replacement of their MHU, those funds must be returned to the Volusia County Office of Recovery and Resiliency.

If it can be established that an applicant has an additional need, the subsequent funds would not be considered a DOB (76 FR 221, 71062). However, if an additional need is not demonstrated, disaster recovery funds must be recaptured to the extent they are in excess of the need and duplicate other assistance received by the applicant for the same purpose. If CDBG-DR funds

were provided last and unknowingly create duplication, the method of recapturing those CDBG-DR funds will be consistent with HUD 2 CFR 200.

FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by ORR through the FEMA database. If ORR is unable to verify the FEMA IA amount through the FEMA database, then they will use the payment amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes amounts not paid to cover damage to the primary structure, ORR will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

As homeowners in Volusia County who were impacted by Hurricane Ian (disaster declaration 4673) may have also experienced damage caused by Hurricane Nicole (disaster declaration 4680), the Office of Recovery and Resiliency will also review FEMA IA data pertaining to Hurricane Nicole during its DOB review.

FEMA National Flood Insurance Program (NFIP)

ORR will check all applicants for NFIP to verify whether they maintained flood insurance. Any payments for loss to the dwellings under NFIP insurance policies are deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award.

The payment to applicants under NFIP policies will be determined and verified by ORR through the FEMA database and cross-referenced with other applicable data. If ORR is unable to verify the NFIP insurance proceeds through the NFIP database, ORR will use documentation supplied by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not covered in the home evaluation or not paid to cover damages to the primary structure, ORR will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

As homeowners in Volusia County who were impacted by Hurricane Ian (disaster declaration 4673) may have also experienced damage caused by Hurricane Nicole (disaster declaration 4680), the Office of Recovery and Resiliency will also review NFIP data pertaining to Hurricane Nicole during its DOB review.

Increased Cost of Compliance (ICC)

The Single Family Repair and Replacement Program will determine the duplication of benefits regarding Increased Cost of Compliance (ICC) funds for elevation and/or demolition activities.

If severe property damage occurs as a result of flooding, before repair or rebuild activities can occur, it may be required by law that the damaged property meet community ordinances and/or state floodplain management standards. ICC coverage provides funding to help cover the costs of meeting those requirements with the intent aimed at reducing future flood damage. ICC coverage is separate from and in addition to insurance coverage that provides for structural or personal flood damage repairs.

Private Insurance and Wind Insurance

All private insurance settlement amounts for loss to dwellings are considered a DOB and may reduce the amount of assistance for which an applicant may be eligible. Private insurance

payments for anything other than the damaged structure (contents, fences, storage sheds, etc.) are not deducted from the applicant's award. Applicants must submit the following:

- Validated external data-source information;
- Insurance Policy Declarations page; and
- Insurance award or claims letter (if applicable) and insurance/benefit certification.

Insurance proceeds are determined and verified by the Single Family Repair and Replacement Program by contacting the insurance company and verifying proceeds if confirmed data is unavailable from a third-party data source. If ORR is unable to obtain a response from the insurance company within two weeks, it will use the amount provided by the applicant on the insurance/benefit certification.

The Small Business Administration (SBA)

SBA loan proceeds available to the applicant are DOB. Any proceeds available for repair to the dwellings less any verifiable expenditures used for temporary repairs to the dwelling under Small Business Administration Disaster Assistance are deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award. The following documentation must be reviewed:

- SBA 3rd-party data set; and
- SBA award letter (if applicable).

SBA awards will be determined and verified by the Single Family Repair and Replacement Program through the SBA database. See the SBA Hardship section for details on benefit calculation. If it is not possible to verify the SBA qualifying loan amount through the SBA database, the Single Family Repair and Replacement Program will use the qualified loan amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating the amount provided the SBA database includes amounts not loaned to cover structural loss, ORR will use the documentation provided by the applicant to adjust the SBA loan amount. The documentation provided by the applicant must come from SBA.

If the applicant was offered an SBA award and declined that award, the amount of a subsidized loan that is cancelled or declined is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined unless the loan qualifies under the exclusion discussed below:

- A grantee is only required to document declined loans if information available to the grantee (e.g., the data the grantee receives from FEMA, SBA, or other sources) indicated that the applicant received an offer for subsidized loan assistance, and the grantee is unable to determine from that available information that the applicant declined the loan. If the grantee is aware that the applicant received an offer of loan assistance and cannot ascertain from available data that the applicant declined the loan, the grantee must obtain a written certification from the applicant that the applicant did not accept the subsidized loan by signing loan documents and did not receive the loan; or
- Cancelled loans are loans (or portions) that were initially accepted, 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.

As homeowners in Volusia County who were impacted by Hurricane Ian (disaster declaration 4673) may have also experienced damage caused by Hurricane Nicole (disaster declaration

4680), the Office of Recovery and Resiliency will also review SBA data pertaining to Hurricane Nicole during its DOB review.

Charity

The Single Family Repair and Replacement Program will contact the charity agency and verify the value of any assistance provided for damage to the primary structure. If an applicant is able to provide documentation demonstrating the amount provided by the nonprofit agency, the Single Family Repair and Replacement Program will use the amount provided by the applicant.

Adjustments and Offset to the Amount of Assistance

Any portion of DOB funds that has been determined to have been spent by the applicant on allowable activities, as listed below, will reduce the amount considered to be a DOB. When an applicant is eligible for the Single Family Repair and Replacement Program, potentially duplicative assistance is reduced by the percentage of the assistance that was spent on an allowable activity. This percentage method is used in lieu of allocating the total of allowable activities to only one of the Single Family Repair and Replacement Program's awards. The applicant will be responsible for accurately reporting the specific amounts spent on the allowable activities. Such activities include:

- Contractor Fraud;
- Forced Mortgage Payoffs;
- Legal Fees; and
- Temporary Living Expenses.

These activities are considered allowable as they do not directly conflict with the services being provided by the Single Family Repair and Replacement Program. Applicants will be able to deduct from their DOB insurance, SBA, and FEMA amounts spent to repair their home due to damage by the applicable disaster.

Contractor Fraud

If an applicant was a victim of contractor fraud, the amount paid to the contractor will not be counted as a DOB. The following documentation is required to allow the Single Family Repair and Replacement Program to determine if any amount paid to a Contractor can be excluded in the DOB calculation:

- Police report or complaint dated before the date of the application;
- Proof of canceled check (if applicable);
- Bank statement reflecting payment (if applicable); and
- Contract between applicant and contractor, if applicable.

Contractor fraud will be verified through a review of the police report and complaint. If no amount is included in the complaint, the applicant will complete an affidavit to accompany the complaint that lists an amount to reduce the DOB total. In scenarios where a police report, complaint, or contract, are not available, the information provided by the applicant will be reviewed on a case-by-case basis.

Forced Mortgage Payoff

In the event an applicant's mortgage requires any insurance proceeds to be applied to reduce the lien balance, the mortgage holder (not the homeowner) is considered to have legal control over those funds making the homeowner legally obligated to use insurance proceeds for that purpose.

Under these circumstances, the amount of the insurance proceeds required by the mortgage company to be applied to the mortgage balance will be excluded from the DOB calculation.

To be considered for exclusion, the applicant must provide a copy of the correspondence or letter from the mortgage company on company letterhead and signed by an authorized representative stating the applicant was required to use the disaster assistance funds for this purpose. This will demonstrate they were required to apply the insurance proceeds to their mortgage balance.

The Single Family Repair and Replacement Program will verify the correspondence/letter is on mortgage company letterhead, includes the damage address, and lists the amount forced to pay off the principal. The amount of involuntary payoff will reduce the amount of DOB.

Legal Fees

Legal fees/expenses incurred by the applicant due to litigation related to an Insurance policy claim for the named disaster will be excluded from the DOB calculation. To be considered for exclusion, an applicant must submit the following documentation:

- Evidence of payment to a legal firm (Attorney Fee and Expense statement); and/or
- Settlement agreement (if applicable).

The Single Family Repair and Replacement Program will review the submitted documentation and verify if the amount paid to the Attorney can be excluded and reduce the DOB.

Temporary Living Expenses

Funds spent by an applicant for temporary housing from the date of the storm, which can be established by the Single Family Repair and Replacement Program can be deducted from the DOB total. Hotel receipts, apartment leases, rental agreements, rental receipts, and/or proof of payment for other temporary living arrangements must be submitted by the applicant. A calculation of all monthly payments made by the applicant may be necessary. If sufficient documentation for Temporary Living Expenses is provided, the DOB total will be reduced.

Duplication of Benefits Gap Funding

The difference between eligible financial assistance received and documented work completed is the duplication of benefits gap (DOB Gap). The applicant will be required to provide the DOB gap funds in order to be eligible for assistance. After the applicant has been approved for assistance, he/she will be notified of any existing DOB gap amount. The Single Family Repair and Replacement Program will attempt phone contact with applicants to explain the DOB gap. The DOB gap funding calculation will be available in the System of Record. Upon request, applicants will be provided with their specific DOB gap funding calculation. If the applicant is participating in the buyout program, the DOB amount will simply be deducted from the final award amount.

Any eligible applicant for whom a DOB Gap funding has been determined must provide a cashier's check at or before the Contract Signing Event within 30 days of notification. The Program may allow for scope reductions in certain situations to overcome DOB Gaps. Applicants who fail to provide their DOB Gap contribution within the 30-day time period will be at risk of not being served by the Single Family Repair and Replacement Program.

5.0 Award Determination

Upon completion of the Estimated Cost of Repair (ECR) and Duplication of Benefits (DOB) analysis, ORR will determine which rehabilitation pathway, repair or replacement, is appropriate for the applicant's damaged property. The assistance limits for each rehabilitation option pathway are:

- Up to \$100,000 for site-built (i.e., wood-frame/cinderblock structures) home repairs,
- Up to \$100,000 for reimbursement of qualified pre-application repairs,
- Up to \$100,000 for MHU rehabilitations,
- Up to \$200,000 for mobile home unit replacements,
- Up to \$275,000 for reconstruction of site-built homes, and,

The home's rehabilitation pathway is determined by the following considerations:

- Whether the ECR exceeds 50% of the pre-construction value of the damaged structure,
- Whether the home is located in the 100-year floodplain or 500-year floodplain for critical actions as determined by FEMA flood maps,
- Whether the ECR exceeds 50% of the cost to reconstruct the home

Exceptions to the award maximums for both site-built home reconstructions and MHU replacements will be made for homes that require any of the following:

- handicap ramps (at a fixed cost per unit/home),
- initial fixed portable on-site storage cost,
- Septic tank replacements,
- 4 bedroom /2 bathroom configuration, or,
- Temporary relocation assistance

Each of these exceptions must be approved by ORR in accordance with the policies set forth below. All other exceptions to these established housing assistance limits must be approved by ORR's Special Case Panel in accordance with the procedures in Section 9.2, Special Case Panel.

5.1 Feasibility Analysis and Pathway Determination

The ECR provides the basis of the Scope of Work (SOW) for the rehabilitation of the home and is critical for determining the rehabilitation pathway for the home. If the ECR indicates that the cost of rehabilitating the home is greater than 50% of the pre-construction value of the damaged structure and the home is located in the 100-year floodplain, the home must be rebuilt and elevated so that the ground floor is at least two (2) feet above base flood elevation.

If the ECR indicates that the cost of rehabilitating the home is more than 50% of the cost of reconstructing the home, the home will be deemed "not suitable for rehabilitation" and will be considered for replacement. Homes in which the primary structure has been declared a total loss or cannot be rehabilitated due to legal, engineering, or environmental constraints, such as permitting, extraordinary site conditions, or historic preservation, will also be declared "not suitable for rehabilitation" and will be considered for reconstruction.

Once the ECR and the DOB analysis are complete, ORR will conduct a feasibility analysis to determine which rehabilitation pathway is appropriate. The analysis will consider whether the rehabilitation is cost-effective, supports a long-term housing solution for the applicant, and improves the health and safety risk for the applicant's household. For both site-built homes and mobile home/MHUs, the feasibility analysis must take into account whether the ECR is over 50% of the pre-construction market value of the structure, whether the cost to rehabilitate the structure is more than 50% of the cost of replacement, and whether the home is in the 100 year floodplain.

For site-built homes in which the ECR is over 50% of the pre-construction market value of the structure or over 50% of the cost of reconstruction, the IC will be responsible for preparing a SOW for the replacement structure that is based on the fixed price standard floor plans approved by ORR. For mobile home/MHU rehabilitations, the feasibility analysis will assess whether the total rehabilitation cost is over \$100,000 and whether the rehabilitation cost is more than 50% of the replacement cost. If either of these conditions is met, the MHU will be deemed "Not Suitable for Rehabilitation" and may be replaced.

For all reconstruction or rehabilitation of substantially damaged structures, the SOW must be in accordance with an industry-recognized standard that has achieved green building certification under one or more of the following standards (see Housing Quality Standards, Appendix A):

- Enterprise Green Communities;
- LEED (New Construction, Homes, Midrise, Existing Building Operations and Maintenance, or Neighborhood Development);
- ICC-700 National Green Building Standard;
- Living Building Challenge

Although the goal of the Single Family Repair and Replacement program is to rehabilitate the home so that the newly repaired or reconstructed home is similar to the original damaged structure, the feasibility analysis may reveal that certain additional features are necessary to address site-specific environmental concerns, Florida Building Code requirements, and/or resident-specific accessibility issues. The IC must identify any such issues in the proposed SOW so that they can be addressed prior to pathway notification.

Procedure:

- The Damage Assessor (DA) will complete the Environmental Questionnaire and produce an ECR of the damaged property in accordance with Section 3, Damage Assessment, and upload into the SOR.
- ORR will conduct a DOB analysis in accordance with Section 4, Duplication of Benefits, and upload into the SOR.
- The Environmental Consultant will complete the Tier II environmental assessment using the Environmental Questionnaire prior to the finalization of the SOW and upload the report into the SOR.
- The IC and ORR will review the ECR and Environmental Questionnaire to assess whether site conditions will require modifications to the Scope of Work.
- ORR will conduct a feasibility review to determine the appropriate rehabilitation pathway based on the proposed SOW.
 - The SOW will be uploaded in the SOR for approval by ORR.

- In the event the SOW is over the financial cap for a specific type of structure, the case will be reviewed by the Special Case Panel (SCP) to determine whether demonstrable hardship exists.
- Once the SOW is reviewed by the APM for Construction, it will enter the IC's project pipeline in the SOR.
- An ORR Project Coordinator will then notify the applicant of the proposed project pathway.
- Once the applicant indicates that they wish to proceed, the Project Coordinator will schedule a Contract Signing Event with the applicant.

5.1.1 Rehabilitation Price Methodology

Rehabilitation projects will be priced using Xactimate's Pricing Data Service and Xactimate Cost Estimating Software. All rehabilitation work orders must follow the fixed pricelist established by Single Family Repair and Replacement Program. The fixed pricelist that forms the basis of all rehabilitation work orders is the "Ian Rehab Pricelist." Rehabilitation projects may include a certain surcharge for overhead and a certain surcharge for profit. However, no overhead or profit may be calculated on taxes or fees. This overhead and profit prohibition includes the general conditions line item "Taxes, insurance, permits, & fees."

ORR will review the cost reasonableness of Xactimate's pricing on a semiannual basis (once every six months). If ORR determines that a price increase must occur based on an actual percent increase of construction costs, ORR's APM for Construction will prepare a Pricing Increase Decision Memorandum in conjunction with Volusia County's Purchasing and Contracts Division and deliver it to the Implementation Contractor. If ORR chooses to implement a price increase, it will be added to the initial work order and any subsequent change orders, if applicable.

All materials purchased for use in the Single Family Repair and Replacement Program must meet or exceed minimum quality specifications as outlined in Xactimate or ORR's Housing Quality Standards in effect when construction commences. ORR is responsible for approving the Housing Quality Standards and will perform regular construction monitoring to ensure all contractual obligations are met.

5.1.2 Reconstruction Cost of Property

Substantially Damaged and Substantially Improved (for projects located in the 100-year floodplain):

The Volusia County Office of Recovery and Resiliency will partner with the Volusia County Property Appraiser's Office to obtain September 2022 market value data for the primary structure of each applicant's home for purposes of assessing whether a home was substantially damaged during the feasibility analysis. The Volusia County Property Appraiser will provide the 2022 replacement cost value of the home ("RCN_2022_15PCT"), which is the estimated cost of replacing the home in September of 2022, prior to Hurricane Ian making landfall (inclusive of an appreciation factor to compensate for the 15% discount that the Volusia County Property Appraiser applies in consideration of various transactional costs). All market value figures received from the Volusia County Property Appraiser's office will be stored in the applicant's case file within the System of Record.

Likewise, ORR will use the most recent replacement cost value of the home provided by the Volusia County Property Appraiser to assess whether completed repairs as assessed by the

Damage Repair Verification (DRV) and pending repairs as assessed by the Estimated Cost of Repair will cause the structure to be substantially improved, meaning the repairs exceed 50% of the cost of reconstruction. As this consideration is in terms of current costs, ORR will compare the cost of repair to the replacement cost value of the most recent year available from the Volusia County Property Appraiser

For current reconstruction cost of property:

As required by Section 3.8 of Volusia County's CDBG-DR Action Plan, ORR will deem a structure "not suitable for rehabilitation" if repairs exceed 50% of the cost of reconstruction. As this consideration is in terms of current costs, ORR will compare the cost of repair to the cost of replacing the primary structure with one of the standardized floor-plans developed by the IC for 2-2, 3-2, and a 4-2 housing configurations. ORR will review the floorplan as noted in the ECR and determine the equivalent floorplan provided by the IC. In cases in which the cost of repair is approaching the 50% threshold of the cost to build one of the standardized floorplan, ORR will consult with the IC to determine whether additional permitting requirements or site conditions exist in order to complete the feasibility analysis.

5.1.3 Homes Located in the Floodplain

Per Section II.B.2.c of the Consolidated Notice in 88 FR 32046, any residential structure that is substantially damaged (meaning the cost of repair exceeds 50% of the pre-storm market value of the structure) or substantially improved (meaning the cost of repair exceeds 50% of the current market value of the structure), must be elevated to at least two feet above Base Flood Elevation (BFE). As such, Single Family Repair and Replacement Program will only rehabilitate a structures if it is deemed feasible through a feasibility analysis. Therefore, it is critical that the Estimated Cost of Repair (ECR) and Damage Repair Verification (DRV) for homes located in the floodplain is accurate.

The DA must confirm that the home is in the floodplain prior to the execution of the damage assessment and creation of the ECR. All damage assessments on homes in the floodplain must be coordinated with ORR staff to ensure that a home's location in the floodplain is accurately determined. Damage Assessments for floodplain homes must be of a high-fidelity nature to ensure that no change orders will be required that may cause the total construction costs to exceed 50% of the pre-storm fair market value of the home. The ECR must account for all possible unforeseen elements that may drive the cost over the threshold for elevation.

ORR will track the progress of all homes in the floodplain in the System of Record. The IC must notify ORR's APM for Construction of any change orders on repair and rehabilitation projects on homes located in the floodplain.

Homes in the floodplain that receive federal assistance are required to maintain flood insurance, therefore ORR must communicate to the applicant the anticipated cost of flood insurance for non-elevated structures. This communication must occur prior to the scheduling of the Contract Signing Event. The communication of the flood insurance requirements must be documented in the System of Record.

MHU Replacements in a Floodplain

For all newly installed MHUs located in the floodplain the top of the bottom floor, meaning the floor level that one walks upon, must be at least two feet above the Base Flood Elevation (BFE) identified on a site-specific elevation certificate completed by a licensed surveyor. Due to the

complexity and increased cost of elevating newly installed MHUs higher than five feet, seven inches (5'7") above the Lowest Adjacent Grade (LAG), the ORR will not elevate replacement MHUs more than five feet, seven inches above the LAG.

If the elevation certificate indicates that the structure must be elevated more than five feet, seven inches above the LAG, the applicant must lease or purchase an alternative plot of land outside the floodplain in order to be served by the ORR Housing Program. The alternative plot must be located in Volusia County . If the applicant is able to secure the alternative land, the applicant's disaster-damaged MHU will be demolished, and the new MHU will be placed on the land outside the floodplain. The Special Case Panel will review any additional site-specific costs associated with the alternative land prior to the start of construction. These site-specific costs include, but are not limited to, utility installation, lot clearance, and lot access.

For replacement MHUs in the floodplain that do not need to be elevated higher than five feet, seven inches, the ORR will pay all associated elevation costs as established by ORR's APM for Construction and maintained by the IC.

5.2 Pathway Notification

Once ORR has completed the Duplication of Benefits and feasibility analysis, a Project Coordinator will contact the homeowner applicant to confirm that they have been deemed eligible for assistance and to notify them of the proposed rehabilitation pathway. ORR will confirm which documents they will sign at the Contract Signing Event, and whether they will be obligated to contribute any DOB Gap funds.

For all site-built reconstructions and MHU replacements, the proposed floor plan configuration will be based on the larger of either the current household composition or the existing disaster-damaged structure configuration equivalent, up to the 3 bedroom/2 bathroom standardized floorplan.

5.2.1 Reconstruction Homes

Contractors may only construct homes pursuant to standardized floor plans pre-approved by Volusia County. Each model or type of home must be approved by ORR prior to being utilized in the Single Family Repair and Replacement Program. If at the time of intake, the applicant's household size and member composition would result in one of the following configurations, then the housing replacement solution will be reviewed by ORR's Special Case Panel for a potential 4 bedroom/2 bathroom housing replacement solution:

- more than 2 children of the same sex sharing a bedroom, or
- children of the opposite sex sharing a bedroom, or
- an adult and a child sharing a bedroom, or
- adults of different generations sharing a bedroom,

5.2.2 Manufactured Housing Units

If an applicant applies for assistance for a disaster damaged singlewide MHU, the replacement unit will generally be of the same configuration type (singlewide for singlewide, doublewide for doublewide). Each model or type of home must be approved by the ORR prior to being utilized in Single Family Repair and Replacement Program.

In an effort to ensure flexibility in unit availability and equity for program participants in awards received, the program will provide a range of size options by bedroom configuration depending on applicant unit size qualifications. The program acceptable size ranges by type are as follows:

- Singlewide 2 bedroom / 2 bathroom: 750 – 900 square feet (“SF”);
- Singlewide 3 bedroom / 2 bathroom: 1000 - 1200 SF;
- Singlewide 4 bedroom / 2 bathroom: 1000 – 1200 SF;
- Doublewide 2 bedroom / 2 bathroom: 1000 – 1250 SF;
- Doublewide 3 bedroom / 2 bathroom: 1250 – 1500 SF;
- Doublewide 4 bedroom / 2 bathroom: 1400 – 1600 SF

Any deviations from the acceptable size ranges must be approved by the Special Case Panel.

ORR will consider placing a newly installed MHU in a different location than the applicant’s address at the time of the disaster if all of the following conditions are met:

- The MHU owner does not own the land where the disaster-damaged MHU is/was located;
- The disaster-damaged MHU is determined to be not suitable for rehabilitation by ORR (case-by-case consideration may be given for disaster damaged MHU’s that were demolished, relinquished, or disposed of after having been deemed not suitable for rehabilitation);
- the MHU owner, through no fault of their own, is unable to utilize the existing MHU location;
- The proposed location is in Volusia County, Florida;
- The proposed location has existing utility infrastructure in place;
- Either through ownership or an active lease; and
- The proposed new location is either owned by the applicant or the applicant has an active lease for a lot in the new location.

5.2.3 Reasonable Accommodations

Applicants who have a verified disability on file may request that reasonable accommodations be made to the project scope of work during Contract Signing Event. Applicants who qualify for a repair award type may qualify for reasonable accommodations in rooms/areas where program scope of work exists. In general, reasonable accommodations will only be made in repair projects if the program scope of work impacts the item and room where reasonable accommodations are requested.

Wheelchair Accessible Homes

For wheelchair compliant site-built homes or MHUs, the wheelchair accessible bathroom must be the master bath, unless otherwise agreed to by ORR on a case-by-case basis. When a wheelchair compliant ramp is required, the Single Family Repair and Replacement Program will pay a fixed cost for the ramp that is in addition to the original fixed cost to be determined by ORR.

5.2.4 Alterations to the Structure’s Orientation

If the project type is a site-built reconstruction or an MHU replacement and the new home is not planned to be placed in the disaster-damaged home’s original footprint, ORR must, prior to the

Construction Signing Event, meet with the applicant and advise them of the new orientation. This stipulation includes instances where the front facade positioning of the new home will differ from that of the disaster-damaged home. ORR will document this meeting with the applicant in the System of Record (SOR), prior to beginning construction. The only instance where this directive does not apply is when the Special Case Panel (SCP) has approved of an MHU replacement relocating to a different property than that of the disaster damaged MHU.

5.2.5 Elevations in a Floodplain

For homes located in the floodplain, whether the home is a site-built home or mobile home/MHU, the Single Family Repair and Replacement Program will pay a prorated elevation per foot price. Since the first two (2) feet of elevation are included in the base price, the per foot calculation starts each foot over two feet. For elevations over two feet, the Single Family Repair and Replacement Program will pay a certain price per each additional foot to be determined by ORR.

5.2.6 Scope of Work Reductions

Applicants who have DOB Gap that they are unable to contribute prior to closing may elect to have the Scope of Work of their proposed project type reduced in an amount proportional to their DOB Gap deficit. For applicants in the reconstruction and MHU replacement pathway, scope of work reductions will be in one-bedroom increments at a price consistent with current market costs.

5.3 Commitment Letter

Once the homeowner applicant has indicated that they wish to proceed with the proposed housing rehabilitation plan and confirmed whether they can contribute their DOB Gap (if applicable), ORR will send the applicant a Commitment Letter. A Project Coordinator will then schedule the Contract Signing Event no sooner than 72 hours after sending the Commitment Letter.

5.4 Contract Signing Event

Once the applicant has confirmed that they wish to proceed with the proposed rehabilitation plan, ORR will schedule a Contract Signing Event with the homeowner (or their Power of Attorney designee). During the Contract Signing Event, the homeowner applicant will sign the security instrument and the closing disclosure form. The Project Coordinator will then explain the anticipated construction schedule and when they can expect to be contacted by the IC.

Procedure:

- A meeting will be held between each applicant and an ORR staff member to ensure they fully understand the SOW, the security instrument, the closing disclosure, and any other required Contract Signing Event documents.
- Applicants will be given the opportunity to sign their security instrument and closing disclosure forms electronically.
- Executed security instruments and closing disclosure forms will be housed in the System of Record.
- Applicants will be provided copies of all signed documents via email or printed copy when necessary.

Special Needs:

Applicants who are illiterate or otherwise unable to sign their name may sign with an “X” if there is:

- a. Third-party witness at the signing;
- b. Photo identification of the applicant in the file; and
- c. A proper notarized notation on all documents the applicant signs that address special circumstances.

Accommodations will be made when it is determined that an applicant is out-of-state and unable to attend their signing event appointment or homebound due to disability or illness. Signing Event documents will be available to be signed digitally and paper documentation may be available on a case-by-case basis. The needs of all applicants will be taken into consideration in an effort to provide a high level of customer service.

Courtesy Rescission Period:

The Single Family Repair and Replacement Program will grant all applicants a courtesy 3-day Right of Rescission, which they may choose to waive. Prior to disbursement of DOB Gap Funds to the IC, recording and/or filing appropriate documents, ORR’s signing event agent will confirm the rescission period has expired; and in the event an applicant rescinds the transaction, the signing event agent will notify their supervisor immediately and the Single Family Repair and Replacement Program will return DOB Gap Funds, if applicable, to the applicant.

5.4.1 Residency and Repayment Obligation

For all program recipients, the Single Family Repair and Replacement Program requires a future residency obligation and execution of a security instrument to enforce that residency obligation. Homeowners who choose to sell their home prior to the completion of the residency period will be required to return an amount of their award proportional to the time remaining. The residency periods for each program/award type are as follows:

- Repair and rehabilitation work (both MHUs and site-built homes), MHU replacements, and replacement/reconstructions: five (5) years

Upon determination of program eligibility, homeowners will sign a security instrument at the Contract Signing Event that includes, but is not limited to, the following terms:

- Homeowners will adhere to the prescribed residency requirement;
- Homeowners will not transfer title of the property without first obtaining written authorization from Volusia County; and,
- Homeowners will not use the property as collateral in future security agreements unless they receive written authorization first from Volusia County

Applicants who choose to sell their home prior to the completion of the proscribed residency period will be required to repay a portion of their award in an amount proportional to the time remaining on the residency obligation.

The Office of Recovery and Resiliency will adhere to all federal, state, and local jurisdictional requirements concerning the filing of the security instrument. The Office of Recovery and Resiliency and/or Volusia County will monitor applicant compliance with the terms of the security instrument to ensure that all federal requirements concerning program income are met.

5.5 Pre-Construction Consultation

ORR staff will notify the IC that the applicant has completed all required documentation and that they may proceed with contacting, scheduling, and conducting pre-construction consultation with the homeowner. The preconstruction consultation may include but is not limited to confirmation of color selection, reasonable accommodations, move out requirements, storage of personal belongings, and the anticipated construction schedule.

5.6 Temporary Housing During Construction

The Single Family Repair and Replacement Program expects applicants to secure temporary housing away from the site of the damaged property during the construction phase of the project. In cases when an applicant is unable to secure temporary housing for the household, ORR may provide temporary housing to applicants that meet the requirements outlined below until construction activities are complete at their home. All temporary housing costs must be approved by the Special Case Panel.

In order to be eligible for consideration for ORR-funded temporary housing during construction, the applicant must:

- Be determined to be eligible to receive CDBG-DR assistance as stipulated by the ORR; and
- Accept Volusia County's proposed housing rehabilitation pathway; and
- Have no Duplication of Benefits issues that would prevent program service; and
- Have no unpaid utility bills, environmental fees, or property taxes that would prevent construction; and
- Have exhausted all possible options to relocate temporarily with family, friends, self-funded housing or any other options available to a typical applicant; and
- Have no other available temporary housing solutions through non-ORR-funded options identified by either an advocate, disaster Project Coordinator or the long-term recovery group operating in the applicant's area.

Applicants requesting temporary housing must request assistance through the ORR Project Coordinator. Applicants that require temporary housing may have construction activities delayed until appropriate housing can be secured. Inability to secure temporary housing for the duration of construction may result in an applicant not receiving service from Single Family Repair and Replacement Program.

5.7 Portable On-Site Storage Units

The IC is responsible for providing on-site storage units, if necessary, for the storage of an applicant's possessions during the time of construction. ORR will pay for storage units in accordance with the price schedule in the Estimated Cost of Repair (ECR) as determined by Xactimate.

Procedures:

1. Once the storage container is delivered, homeowners will have 15 days to move their belongings into the storage container;

2. Homeowners must have all belongings moved into the storage container before construction can proceed;
3. After the project has passed final inspection and the applicant has moved back into their home, the applicant must empty the container of its contents within 15 days;
4. If the homeowner is delayed or otherwise unable to move their belongings into or out of the storage container within the above specified timeframes, the IC must contact ORR to notify them of the delay and document the delay in the System of Record (SOR).

6.0 Construction Management and Oversight

Once the homeowner applicant has signed all required documents at the Contract Signing Event, the Implementation Contractor (IC) begin the construction process by filing all required construction permits within the local municipality. Once the homeowner has confirmed with ORR that they have moved out of the home, ORR will issue a Notice to Proceed (NTP) to the IC. The issuing of the NTP signifies the start of the construction phase of the rehabilitation process. To ensure that construction is completed in a safe and timely manner, Volusia County ORR will observe the following policies concerning construction management and oversight.

6.1 Eligible Construction Activities

The only construction activities that are eligible under the Single Family Repair and Replacement Program are those that are necessary to restore structures damaged by Hurricane Ian in a manner consistent with ORR's Housing Quality Standards (Appendix A). For homes in the repair pathway, restoration of the home will not involve any change to the existing floor plan of the structure. For homes in the reconstruction pathway, however, rehabilitation may involve altering the home's floorplan provided they are consistent with the policies outlined in Section 5.2, Pathway Notification. Regardless of which rehabilitation pathway is selected, all homes will, at a minimum, be restored in a manner consistent with ORR's Housing Quality Standards (Appendix A).

Certain construction activities may also be included in the Scope of Work (SOW) of the rehabilitation, if the initial feasibility analysis reveals that additional measures are necessary to ensure that site-specific environmental issues are addressed and that the home is restored to a safe and sanitary condition (see Section 5.1, Feasibility Analysis and Pathway Selection). Any modifications to the home outside of these considerations are considered ineligible. Ineligible activities include, but are not limited to the following:

- Additions to an existing structure, unless it is necessary to meet housing and building codes;
- Purchase of tools or equipment, or other similar items; and
- Purchase of washers, dryers, dishwashers or removable air conditioning/heating units not attached to the house structure.

6.2 Contractor Responsibilities

Volusia County's Implementation Contractor (IC) will be responsible for reviewing the ECR for each home, confirming the reconstruction cost during the feasibility analysis, assigning rehabilitation projects to a GC, building homes determined to be reconstruction, and overseeing construction. Construction oversight involves a combination of site inspections for each home rehabilitation project, desk reviews of change order requests, and communication with the GC. Site inspections may include construction progress inspections, the final program inspection, and any other inspections requested by ORR officials. The IC or GC will be responsible for completing construction in a timely manner once the NTP has been issued by ORR and for communicating with the homeowner during construction. A complete breakdown of IC and GC responsibilities is provided below:

The IC will be responsible for:

- Developing standardized floor plans at a fixed price for the rebuild and reconstruction of site-built homes;

- Reviewing the Estimated Cost of Repair (ECR) and confirming reconstruction cost for ORR to conduct a feasibility analysis;
- Creating a SOW for the damaged property based on the outcome of the feasibility analysis;
- Assigning the SOW to a GC (for rehabilitation projects only);
- Verifying that the GC and any subcontractors, or entities otherwise being paid for delivering program services, are not federally debarred or suspended;
- Ensuring that all required construction permits have been obtained;
- Overseeing construction progress and communicating any issues that arise with ORR's APM for Construction;
- Reviewing all Change Order (CO) requests with ORR's APM for Construction.

The GC will be responsible for:

- Performing the work specified in the SOW in a timely manner,
- Adhering to the terms of the construction contract with the applicant homeowner for all rehabilitation activities,
- Adhering to all Florida Building Code and local health and safety codes,
- Obtaining all building permits throughout the construction process,
- Disposing of all construction debris at a licensed construction waste landfill,
- Following through on all warranties for materials and workmanship in accordance with requirements following completion of the work,
- Adhering to all regulatory requirements for accessibility,
- Submitting Change Order (CO) requests to the IC in a timely manner

6.3 Construction Communication

Frequent communication with the homeowners being served by the Single Family Repair and Replacement Program is a critical component of program success. Once the damage assessment has been completed on a homeowner's property, ORR will, at a minimum, contact the homeowner via telephone once every 30 days to provide a status update to the homeowner until the Contract Signing Event is scheduled. Once a homeowner has moved out of their home at the start of the construction phase, the homeowner must be contacted on a weekly basis for a progress update. The IC must make a minimum of two attempts to contact the homeowner via telephone each week. All communication with the homeowner and attempts at communication will be documented in the System of Record (SOR).

Upon completion of construction, the IC must provide the homeowner with a magnet with contact information and date of warranty expiration at the time the homeowner moves back into their home. The warranty packet must be hand delivered to the homeowner at key turnover, and all items must be explained to and initialed by the homeowner. The warranty packet must include:

- The Statement of Completion and Warranty – general information about the warranty, including start and end date and the warranty reporting phone number. This document will discuss warranty coverage (i.e., materials, labor, workmanship, etc.), the homeowner's

obligation(s), the general contractor's obligation(s), examples of items not covered by warranty (i.e., intentional damage, normal wear and tear, items not part of original scope, etc.),

- Volusia County Office of Recovery and Resiliency Final Inspection Report, and,
- Manufacturers' Warranty information for any mechanical items that were replaced during the course of construction. Examples include, but are not limited to: HVAC systems, water heaters, well pumps, etc.)
- A Warranty Packet Delivery Acceptance form must be included in the packet, to be signed by the homeowner indicating acceptance and understanding, and uploaded to the System of Record as part of the Warranty Packet.

In addition, ORR shall mail a letter to the homeowner reiterating that the homeowner is required to maintain insurance on their property 15 days after completion of construction. This letter shall include the flood insurance requirement for homes in the floodplain.

6.4 Construction Timeliness

After the estimated cost of repair is complete and the duplication of benefits analysis has been conducted, ORR will notify the homeowner of their participation in the housing program through the issuance of an award letter. The award letter will propose an award signing date and outline the anticipated construction schedule. This creates an expectation of timely service for the homeowner.

ORR has established limits for the amount of time that a homeowner should be out of the home. This period starts at Homeowner Verified Moveout (HVM) and ends when the home passes final inspection. The standard time frames are:

- 75 days for a site-built repair/rehabilitation;
- 120 days for a site-built reconstruction (repair and reconstruction) project.
- 75 days for an MHU replacement

Penalties will be imposed for projects that exceed the established standards. For every repair/rehabilitation project that goes beyond the 75 day time standard, the IC must deduct \$100 from the project amount invoiced by the GC for that project. For every reconstruction project that goes beyond the 120 day time standard, the IC must deduct \$150 from the project amount invoiced by the GC for that project. For every MHU replacement project that goes beyond the 75 day time standard, the IC must deduct \$100 from the project amount invoiced by the GC for that project. The GC may petition ORR for relief from the penalty for situations reasonably outside the control of the GC. Relief will only be granted after a review of documentation provided at the time of incidence in the System of Record.

If a project type changes from rehabilitation to reconstruction or replacement, the following standards apply. The IC must schedule the presentation of the project type change to the Special Case Panel no later than 10 days after the GC indicates that the home is not suitable for rehabilitation. Once the change in project type has been approved by the Special Case Panel, ORR will have 30 days to complete the homeowner signing. The clock will reset for the site-built reconstruction or MHU replacement after the completion of the homeowner signing.

Furthermore, specific policies and procedures to implement environmental reviews have been developed. Accordingly, it is the Single Family Repair and Replacement Program's policy that environmental reviews will be carried out per the above HUD regulations before any site-specific activities or funding is approved to proceed.

Site-specific environmental reviews will be achieved through application review desktop research, direct field observation during the initial construction inspection, and agency coordination/consultation, as necessary. Reviews will be documented in the System of Record. Any resultant implementation conditions resulting from environmental reviews will become part of the benefit agreement.

Procedures:

- The APM for Construction will coordinate with the Environmental Consultant and the IC.
- The IC will obtain written clearance from the Environmental Consultant prior to authorizing the GC to start construction.
- The APM for Policy and Compliance will review environmental records in the System of Record and the Compliance Field Coordinators will confirm that the environmental reviews are conducted.

8.7 Historic Properties

In accordance with the National Historic Preservation Act, the Single Family Repair and Replacement Program will conduct a site inspection prior to the rehabilitation, reconstruction, or buyouts of a property to confirm the presence of any historic properties (structures) as defined in 36 CFR Part 800.16 or 44 CFR Part 59.1 Subpart A. In the event that any eligible property meets the definition of a historic property, mitigation measures may need incorporating to avoid or reduce adverse effects to the historic property, including historic districts.

In the case of substantial improvements to historic properties in the floodplain, per the National Flood Insurance Program at 44 CFR Part 60 Subpart A, the variance provisions at 44 CFR Part 60.6 will apply as implemented by the applicable local floodplain ordinance. In order to retain the architectural integrity of historic structures, so they maintain their National Register of Historic Places eligibility, flood-proofing approaches other than structure elevation may be more appropriate.

The variance will be the minimum necessary to retain each historic property's integrity. Similarly, historic properties not in the floodplain may require the use of certain construction materials, design features, or workmanship to retain their integrity; whether in a historic district or not.

Construction activities will be closely coordinated with the applicant and Volusia County ORR. Volusia County ORR will sign the HUD FL FEMA Programmatic Agreement ("PA") regarding National Historic Preservation Act Section 106 compliance or execute the PA between the region IC of the U.S. Department of Housing and Urban Development and the Florida Division of Historical Resources for the review of HUD- Funded activities. The PA provides for a more efficient means of compliance with Section 106 requirements. The costs associated with historic property mitigation are eligible costs up to the maximum benefit.

Procedures:

- Site-Specific Environmental Review Tier II will determine whether a property is listed on the National Register of Historic Places or located in a National Register Historic District.

- An SOI qualified person will draft a Determination of Eligibility (DOE) and send it to SHPO for eligibility concurrence, as necessary.
- Consultation with the Volusia County ORR will be obtained if any project will have an adverse effect determination, a Memorandum of Agreement will be prepared, and guidance and policy from the Advisory Council on Historic Preservation (ACHP) will be followed.
- Reviews of rehabilitation inspection reports and/or construction Scope of Work and elevations to confirm historic character defining features will be conducted, as required.

8.8 Financial Basics

A fundamental purpose of grant financial management is to ensure the appropriate, effective, timely, and ethical use of grant funds.

Specifically, ORR will ensure:

- Internal controls are in place and adequate;
- Documentation is obtained and available to support accounting record entries;
- Financial reports and statements are complete, current, reviewed periodically; and
- Audits are conducted in a timely manner and in accordance with applicable standards

Program Income

Volusia County does not intend to implement any programs that generate income as described in 24 CFR 570.489. If program income is generated, Volusia County will utilize program income as follows: Income received prior to the grant closeout will be utilized as additional CDBG-DR funds in the same manner as other CDBG-DR funds referenced; any income received after the grant closeout, will be transferred to Volusia County's annual CDBG award.

If program income is generated, ORR will input the amount of program income into DRGR on a quarterly basis. With the input of program income, the Project Budgets and Activity Budgets will also be updated. After the adjustments in DRGR have been made to account for program income, ORR will resubmit the DRGR Action Plan for HUD approval.

8.9 Suspension and Debarment

ORR will follow the procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities⁹.

Prior to award, it must be ensured that all contractors receiving CDBG-DR funds have met all the eligibility requirements outlined in state and federal law. Volusia County will verify that the IC is not debarred or suspended at the time of the contract award. The IC must verify the eligibility of all general contractors, subcontractors, or any entity receiving federal funds for delivering program services. At a minimum, the following steps must be taken to ensure contractor eligibility for all services procured:

⁹ 2 CFR 200.318(h) and 2 CFR 200.213

Contractors: All contractors, including professional consulting and engineering firms, must be cleared via a search of the Federal System of Award Management ('SAM') to ensure the contractor is in good standing and has not been debarred. A copy of the Sam search result must be kept in the file on that contractor. The SAM portal can be found here: <https://sam.gov/SAM/pages/public/searchRecords/search.jsf>

Subcontractors: ORR will notify the selected prime contractors that it is the sole responsibility of the prime contractor to verify subcontractor eligibility based on factors such as past performance, proof of liability insurance, possession of a federal tax number, debarment, and state licensing requirements. It should be noted that if any of the above-listed parties are deemed ineligible to receive CDBG-DR funds after the award of the contract, the contract will be immediately terminated.

8.10 Conflicts of Interest

A conflict of interest is, by definition, a conflict between the private interests and the official or professional responsibilities of a person in a position of trust. Volusia County's Merit Rules and Regulations contain prohibit County employees from engaging in any activity that may generate a conflict of interest. ORR has a firm expectation that all staff will be diligent in the avoidance of potential and actual conflicts of interest, as well as perceptions of conflicts of interest. A conflict of interest may occur when the private interests of a person in a position of trust are inconsistent with or impede his/her official responsibilities. This is especially true when applicants are selected to receive assistance and when contracts for goods or services are awarded.

To establish internal controls for identifying potential conflicts of interest, all team members, employees, and other parties participating in the determination of eligibility and/or the distribution of funds, are expected to practice good judgment when presented with a situation, which may involve a potential or actual conflict.

All Single Family Repair and Replacement Program staff are required to make full disclosure to their direct supervisor of any interests, relationships, and holdings, which could potentially result in a conflict of interest. Potential conflicts of interest may include relationships with neighbors, acquaintances, friends, family members, and other members of the community. In the event that any ORR staff member becomes conscious of any current or prior relationship or familiarity with a potential applicant, they are required to notify their direct supervisor, who will make arrangements to ensure that the staff member does not process or interact with applications involving potential conflicts of interest.

This separation of responsibility will ensure an unbiased approach to the processing of all applications and final eligibility determinations. The goal is for every Volusia County citizen to have confidence that their application is being processed with expedient efficiency and integrity. In the event a potential or actual conflict is reported, the ORR Program Management Director will review the circumstances in-depth and be responsible for determining the course of action to be taken if a conflict is found to exist. If a team member has any doubt as to whether a current or prior relationship poses a potential conflict of interest, they should request guidance from their supervisor.

8.11 Section 3

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires Grantees to ensure that training, employment, and other economic opportunities generated by certain HUD financial assistance shall be directed, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Section 3

regulations do not mean Grantees or contractors are required to hire Section 3 residents or award contracts to Section 3 businesses.

ORR will ensure that Section 3 language is incorporated in all applicable contracting documents generated in conjunction with the use of HUD funding. ORR's APM for Policy and Compliance serves as a resource to assist the contractors and subcontractors with Section 3 compliance. The APM for Policy and Compliance may request additional documentation from contractors or subcontractors to ensure compliance.

Contractors must, to the greatest extent feasible, employ Section 3 residents as 30% of all direct new hires. Contractors must, to the greatest extent feasible, award at least 10% of the total dollar amount of all subsequent contracting and subcontracting opportunities to Section 3 businesses for construction projects and 3% for non-construction projects. The contractor must report its efforts to meet Section 3 requirements to the ORR Section 3 Coordinator on a quarterly basis by completing HUD form 60002. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goal was not feasible.

Section 3 Business Concern is a business in the local area that is able to demonstrate one of the following:

- 51% (or more) of the business is owned by one or more Section 3 residents, and whose management and daily business operations are controlled by one or more such individuals;
- At least 30% of the business workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of the date of first employment with the business; and/or
- Provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to businesses that meet one of the above definitions.

A Section 3 resident is an individual residing in Section 3 local area that can document that he/she is one or more of the following:

- A public housing resident;
- A participant in a DOL /YouthBuild program;
- A member of a family that receives federal housing assistance;
- An individual who meets the HUD income limits for determining the eligibility of low- and very low- income persons for HUD-assisted housing programs within the metropolitan area or non- metropolitan county; and/or
- Under the HUD-established income limit for a one-person family for the jurisdiction.

8.12 Fair Housing

During the operations of the Single Family Repair and Replacement Program, ORR will utilize fair housing principals and take action necessary to affirmatively further fair housing to include:

- Seeking participation from organizations whose target populations include individuals and families in the LMI category.
- Creating and implementing a Fair Housing Outreach Plan which incorporates knowledge obtained from:
 - a. Volusia County's Analysis of Impediments to Fair Housing (AI).

- b. Fair Housing activities conducted by fair housing stakeholders.
- c. Organizations that advocate on behalf of disadvantaged population groups.

Procedures:

- During planning, public comment, implementation and ongoing operations of its Housing Recovery Programs, ORR will invite participation from neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the low- and moderate-income community assistance category.
- ORR will utilize a wide range of knowledge gained from various fair housing sources to develop a Fair Housing Outreach Plan. These sources include:
 - a. Volusia County’s Analysis of Impediments to Fair Housing (AI).
 - b. Fair housing surveys, public awareness activities, fair housing fairs, and roundtables detailed in Volusia County’s Consolidated Annual Performance and Evaluation Report to HUD and conducted by select fair housing stakeholders such as:
 - The FL Human Affairs Commission (HAC).
 - FL Department of Consumer Affairs (DCA).
 - The FL State Housing Finance Development Authority (SHFDA).
 - c. The SoVI® index of vulnerability factors
 - d. The National Association for the Advancement of Colored People’s (NAACP) adaptation planning structure is described in the organization’s paper on “Equity in Building Resilience in Adaptation Planning”.
- ORR will implement the Fair Housing Outreach Plan, monitor plan implementation for success, and make adjustments to the plan as needed.

8.13 Citizen Participation Plan

ORR values citizen and stakeholder engagement. Volusia County has developed a Citizen Participation Plan in compliance with § 24 CFR 91.115 and applicable HUD requirements to set forth the policies and procedures applicable to citizen participation. This plan is intended to maximize the opportunity for citizen involvement in the planning, development, and execution of the Volusia County CDBG-DR program. In order to facilitate citizen involvement, Volusia County has identified target actions to encourage participation and allow equal access to information about the Single Family Repair and Replacement Program by all citizens. Volusia County intends to focus outreach efforts to facilitate participation from LMI individuals, non-English speaking persons, and other disadvantaged populations. ORR has published its Action Plan in Spanish as well as English. In addition to citizen involvement, Volusia County encourages the participation of regional and State-wide institutions. Volusia County will consider any comments received in writing, via email, or expressed in-person at official public hearing events. Additionally, to permit public examination and public accountability, Volusia County will make the above information available to citizens, public agencies, and other interested parties upon request.

In anticipation of receiving federal CDBG-DR funds, ORR is required to incorporate specific citizen participation requirements. This plan outlines how ORR intends to meet or has already met these requirements. As the agency administering the CDBG-DR Program, ORR is committed to

furthering fair housing through established affirmative marketing and outreach activities. ORR will take steps based on the Fair Housing Act of 1968 to reduce disparities in housing choice, access, and opportunities based on protected classes (e.g., race, color, religion, familial status, sex, national origin or disability). Toward achieving that objective, ORR will ensure that its outreach, communication, and public engagement efforts are comprehensive in order to reach as many impacted citizens as possible.

Outreach Activities and Public Hearings

The objectives of ORR's outreach activities are to ensure that all citizens are aware of the CDBG-DR funding and planning process, have an opportunity to comment on or suggest proposed uses for the funds, and to maximize public awareness and access to CDBG-DR program funds when available.

Limited English (LEP) & Special Needs

Volusia County is committed to providing all citizens with equal access to information about the recovery program, including persons with disabilities and Limited English Proficiency (LEP) persons. Volusia County follows HUD's regulation, 24 CFR Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development—Effectuation of Title VI of the Civil Rights Act of 1964," which requires all recipients of federal financial assistance from HUD to provide meaningful access to LEP persons.

ORR has adopted a Language Assistance Plan (LAP) in order to provide meaningful access to its programs and activities by persons with LEP. In accordance with federal guidelines, ORR will make reasonable efforts to provide or arrange free language assistance for its LEP persons. When a significant number of non-English speaking residents can be reasonably expected to participate in public hearings or open comment periods, materials to be handed out will be translated into the appropriate language, citizen comments in a language other than English will be translated, and translators will be present. These populations will be identified through mapping of Census and other data or non-profit or stakeholder identification of need. The SoVI® Targeted, specialized outreach will be conducted to these populations in order to ensure proper notice of the opportunity to attend hearings or provide input on all proposed plans.

The LAP focuses on plans for individuals with limited English proficiency. Plans to meet the communication needs of clients who are deaf, hard-of-hearing, or blind are also important and will be properly addressed by reasonably complying with applicable legislation such as Section 504 and the Section 508 Amendment to the Rehabilitation Act of 1973, and Title II and Title III of the Americans with Disabilities Act (1990).

Meaningful access is free language assistance in accordance with federal guidelines. The number and proportion of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be encountered by the Single Family Repair and Replacement Program or grantee are based on U.S Census Bureau American Community Survey (ACS) 2006-2010 population. Based on the eligible population, it was concluded that Spanish is the only majority language spoken, other than English, in any eligible county for the CDBG-DR Program. As a result of this initial population analysis, all Action Plans, any ensuing amendments, outreach materials and any application and related guidance materials will be published in both English and Spanish.

Public Website

To provide the public with comprehensive information on the status of mitigation activities, ORR has created a Hurricane Ian Recovery website, which can be found at: Transform386.org. The Transform386 website includes the HUD-approved CDBG-DR Action Plan, any action plan

amendments, program availability, Quarterly Performance Reports (from the HUD DRGR system), policy and procedure manuals, procurement policies, and the status of services or goods currently being procured (e.g., phase of the procurement, requirements for proposals, etc.); and other required and pertinent information.

Timely Expenditure

Timeliness of expenditure for the grant funds is defined as 6 years from the time of HUD's execution of the grant agreement. Volusia County will track expenditure projections monthly over the life of the award utilizing the HUD-provided Projection of Expenditures and Outcome Template, in conjunction with the Disaster Recovery Grant Reporting (DRGR) system. Volusia County will submit a complete projection of expenditures within 120 days after the initial Action Plan has been submitted through the DRGR system. Revised projections will be sent to HUD when program changes impact projected outcomes, funding levels, and recovery timelines. Volusia County will manage financial transactions through the SCEIS record system.

8.14 Disaster Recovery Grant Reporting (DRGR)

As required by HUD, ORR will utilize the Disaster Recovery Grant Reporting System (DRGR) to submit its Action Plan detailing its projected use of CDBG-DR grant funds and report quarterly on its accomplishments pertaining to the same. In addition, DRGR will be used to draw down CDBG-DR grant funding from HUD.

ORR staff will ensure that accurate information is collected and reported to HUD in DRGR and that relevant systems and procedures comply with Federal policies and requirements governing reporting. Additionally, they will ensure that the Quarterly Performance Reports (QPR)s, Public Law Documents, and other required documents are properly uploaded to the Hurricane Ian website for Public viewing.

Procedures:

- DRGR breaks down a grant into categories known as projects. It further breaks down each grant project into subcategories called activities. Activities are grouped in a project based on their geographic or National Objective similarities. ORR will base its DRGR projects on those stated in the Action Plan.
- Activities are based on a single National Objective. Each National Objective is defined by HUD and has individual requirements that must be met by ORR. Any activity actions that do not meet a specific National Objective's requirements must be reported under a new separate activity.
- QPRs are to be submitted to HUD no later than 30 days after the end of a Quarter. A copy of the QPR, Public Laws, and other required documents must be uploaded to the Hurricane Ian website within 3 days. The same 3-day requirement applies to QPR resubmissions and approved QPRs.
- All Action Plan Amendments must be properly reflected in DRGR the quarter they occur.

9.0 Quality Control and Compliance

9.1 Internal Audit

Internal Audit is independent of ORR and reports directly to the County Manager. Internal Audit utilizes three types of internal audit mechanisms to review County activities: operational,

compliance, and forensic. Each of these . Auditing activities may involve a direct review of the actions pertaining to the following subject areas:

1. Application Intake
 - a. Eligibility Verification; and
 - b. Duplication of Benefits Analysis.
2. Construction
 - a. Environmental Reviews;
 - b. Septic Tank Approvals;
 - c. Lead-based Paint Reviews;
 - d. Construction Standards;
 - e. Timeliness Standards;
 - f. Cost Reasonableness of Labor and Materials; and
 - g. Demolition.
3. Programmatic
 - a. Citizen Participation Compliance;
 - b. Section 3 Compliance;
 - c. Fair Housing Compliance; and
 - d. Relocation Activities.

Other activities conducted by Internal Audit include:

- Review of Individual Department Audits such as Finance, DRGR, and Monitoring.
- Review of specific program pricing policies to ensure that the decisions that are made are in the best interest of the Single Family Repair and Replacement Program, Applicant, and Taxpayer.
- Review of Customer Service Complaints at both intake and throughout the process.
- Review of any items received through the Internal Audit Hotline at (386) 822-5056.

Internal Audit will specifically monitor the following:

1. Intake Documentation
 - a. Review files to verify applicant program eligibility;
 - b. Review files of applicants classified as unlikely to be served to ensure eligibility validity; and
 - c. Internal Audit will review a minimum of 25% of applicant files.
2. Construction Monitoring
 - a. Review construction files to ensure consistent and appropriate documentation, including evidence of permits;
 - b. Validate initial demolition costs and any exceptions that are approved by the Special Case Panel when necessary; and

c. Internal Audit will review a minimum of 25% of completed construction projects.

3. Special Case Monitoring

a. 100% of the files will be reviewed that are submitted to the Special Case Panel. These reviews will focus on eligibility, cost containment, and the appropriate and timely scope of work items.

On a weekly basis, Internal Audit reports the number of cases reviewed to the Operations Manager and the APM for Policy and Compliance as a metric of Internal Audit progress. Internal Audit reports any issues identified through daily monitoring activity to the contractor to facilitate expeditious corrections.

On an as-needed basis, other audits or reviews will be completed using an approved audit program. The results will be reported through a formal report along with any findings.

Semi-Annual reports are provided to the Steering Committee to ensure they are aware of Internal Audit's progress.

Auditee Responsibilities

In accordance with 2 CFR § 200.508, ORR must:

- Procure or otherwise arrange for the audit required by this part in accordance with §200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with § 200.512 Report submission;
- Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements;
- Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with § 200.511; and
- Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

Audit Hold

Citizens participating in ORR Programs are required to submit documents to meet program eligibility requirements. These documents are subject to examination by the Internal Auditor.

In the event that the Internal Auditor does not agree on the eligibility of an applicant's documentation, the Internal Auditor may place a file on audit hold, pending an investigation and/or the submission of additional documentation. The audit hold process is as follows:

1. The Internal Auditor disputes an applicant's eligibility.
2. The Internal Auditor places the case on audit hold and notifies the IC.
3. The Internal Auditor will coordinate with ORR in order to contact the applicant and make them aware that their case has placed on audit hold and the reasoning behind the hold.
4. The IC must respond within two days and attempt to resolve issues within 30 days.
5. After a case has been on audit hold for 30 days, without resolution, it must be placed on an audit tracker that will be updated weekly and sent to all directors and the IC.

6. Monthly, or more frequently if necessary, an Audit Reconciliation Meeting will occur. Attendees may include: the ORR Director, the Internal Auditor, the Operations Manager, a representative from the IC, a County Attorney, or someone appointed as any of the named attendees' designee.
7. A decision will be made at this meeting on whether the cases on a 30 day+ audit hold will move forward or will be closed. If a case is closed, the APM for Policy and Compliance will prepare a decision memorandum to indicate the reasons why the case cannot move forward. The County Attorney will review, sign, and send the letter to the Operations Manager for a final decision. This decision memorandum must be uploaded to the System of Record. The applicant has the right to appeal an adverse decision.
8. If the ORR Operations Manager decides that the hold is not justified, the Internal Auditor must remove the hold from the file within 24 hours. Audit reserves the right to write a decision memorandum outlining their position on the matter.

If a case is placed on audit hold after construction is complete, but prior to the payment of the final invoice for the case file, then the Audit Department will be responsible for drafting a memo outlining the facts of the case to be placed in the case file. The Finance Department will not withhold a payment to the IC for completion of the construction activities unless ordered to do so by the ORR Director.

9.2 Special Case Panel

ORR will review and respond to concerns, suggestions, requests, and other issues that warrant consideration pertaining to the Single Family Repair and Replacement Program by utilizing a Special Case Panel (SCP). The Special Case Panel (SCP) is a five-member panel that will address unique issues when they arise and will issue decision memorandums or the equivalent on each matter it considers. The decision memorandum will be signed by the Policy and Compliance Manager, who will serve as the SCP chair and present decisions to the ORR Director for final approval. Once the decision memorandum is signed by the ORR Director, it will be uploaded to the System of Record.

Throughout the life of the Single Family Repair and Replacement Program, decisions will be made based on the Special Case Panels interpretation of the specific issue and all relevant federal, state, and/or local statutes, regulations, codes & ordinances, as well as the CDBG-DR Action Plan and Single Family Repair and Replacement Policies and Procedures effective at the time of consideration. In the event that the Special Case Panel addresses a recurring issue that has the potential to impact a wider range of applicants, ORR will consider amending the policy and procedure manual to encompass the policy implications of the issue.

9.2.1 Potential SCP situations

The SCP may review situations that include, but are not limited to the following:

- Any proposed construction in excess of established program pricing guidelines;
- For reconstruction or replacement projects, any items that the GC believes are truly excessive and outside the scope of the standard fixed price;
- All requests for ORR-funded flood insurance;
- All WACC change order requests;
- MHU replacement to a site different than that of the disaster-damaged home;

- Any requests for portable storage units in excess of one (1) per active construction site;
- All requests for 4 bedroom/ 2 bathroom MHU replacements or site-built reconstructions;
- Any proposed buyout award in excess of established program guidelines;
- Any items a contractor believes are truly excessive and outside the scope of the standard fixed price; and
- Complaints, Appeals, or other Special Circumstances as requested by the Special Project Coordinator for Case Management.

ORR has defined excessive demolition as the demolition of structures in excess of 3,500 square feet. For excessive demolition, ORR will pay for the square footage over 2,000 at the lowest possible demolition rate available in the fixed price list.

The SCP Chair may authorize one or more panel members to preliminarily-approve emergency change orders for work in excess of program pricing guidelines. Emergency change orders that receive preliminary approval must be presented to the SCP at the next scheduled meeting for final approval.

Internal Auditing may review the change order and research any findings of inappropriate scope items. Internal Auditing will forward any findings to the ORR Program Management Director. The Director will make a final determination as to whether Volusia County will pay for any scope items designated as inappropriate by Internal Auditing. Internal Auditing must submit documentation of the review into the System of Record.

Other types of Review Panels may be appointed by the ORR Director or Operations Manager, as necessary.

9.3 Complaints and Appeals

ORR staff is responsible for responding to complaints and appeals in a timely and professional manner. A complaints and appeals procedure will be afforded to applicants to provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed or services provided by ORR. The complaints and appeals procedure will include both an informal complaint process and a written appeal. ORR will keep a record of each complaint or appeal that it receives to include all communications and their resolutions. Complaints alleging violation of fair housing laws will be directed to the U.S. Department of Housing and Urban Development for immediate review. Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

When a complaint is received, the assigned Project Coordinator will respond to the complainant within ten (10) business days where practicable. For expediency, the ORR staff shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary. If a complaint cannot be resolved through these means, an appeal to the SCP may be made through the assigned Project Coordinator.

9.3.1 Special Case Panel Appeals

Applicants who disagree with a finding issued by the Special Case Panel will have an opportunity to appeal the decision to the Director of the Office of Recovery and Resiliency. Applicants who wish to appeal a SCP finding shall submit a written appeal request to ORR within thirty (30) days of receiving the SCP decision. The applicant's appeal should include a brief summary of the basis

for their dispute as well as any documentation that would support their position. The applicant's appeal will be reviewed by the Director of the ORR for consideration no later than ten (10) business days upon receipt of the applicant's appeal. The Director of the ORR shall issue a final determination in writing within fifteen (15) business days of review.

9.4 Compliance and Monitoring

The ORR utilizes risk-based programmatic monitoring of the activities conducted by the IC throughout the process of implementing the Single Family Repair and Replacement Program. Monitoring activities involve a direct review of the actions taken by ORR's Project Coordinators, the IC and/or GCs.

Procedures:

1. Eligibility Monitoring
 - a. The Activity Project Manager or their designee will examine at least one out of every four files that have completed damage assessments and continue until complete. Areas for review will include, but are not limited to:
 - i. Eligibility documentation
 - ii. Duplication of Benefits
 - iii. Estimated Cost of Repair and Damage Repair Verification
 - b. The Activity Project Manager or their designee will periodically examine 25% of the files designated "not eligible" to validate that program rules have been properly applied and ensure compliance with Fair Housing standards.
2. Construction Monitoring
 - a. Informal monitoring will occur frequently during the key turnover phase of construction.
 - b. Formal monitoring will occur during actual construction and final inspection activities.
 - c. Selection of cases will be based upon the open projects currently under construction with priority determined by:
 - i. Second visits to previously on-site monitored failures.
 - ii. Directed on-site monitoring based on citizen concerns.
 - iii. Newly mobilized construction sites.
3. Directed Monitoring
 - a. Constituent Services, Finance, or the Internal Auditor may request a directed monitor activity about any aspect of Single Family Repair and Replacement Program.
 - b. ORR's Special Project Coordinator for Case Management will forward all comments implying or indicating fraud, waste, or abuse to auditing for further investigation.
 - c. The APM for Policy and Compliance will request directed monitoring activities:
 - i. For every ten complaints pertaining to construction quality.
 - ii. Whenever customer service scores fall below 90% in any area.
 - iii. Whenever there are two concerns about a particular location or IC staff member.

- iv. For any report of actions or behaviors that could generate a substantially negative public perception of the Single Family Repair and Replacement Program.
4. Once a monitoring activity is complete, the APM for Policy and Compliance will conduct a final review and record the findings in the System of Record.

9.5 Violation of Requirements and Recapture

The homeowner/applicant will sign a forgivable security instrument for owner occupied properties at the Contract Signing Event. The Note has provisions by which non-compliance by the homeowner or landlord may result in the amount of assistance provided by ORR being due and payable back to ORR. A person receiving ORR assistance could also violate program requirements outside of the Note. If the assisted person violates the terms of the Single Family Repair and Replacement Program, they may owe back to ORR the amount of assistance provided to them. If the awardee violates a specific term within the Note or if there is a non-compliant act outside of the Note and ORR determines that recapture of funds is appropriate, ORR will:

- Confer with the homeowner or landlord to determine if they can voluntarily cure the non-compliance; or
- Provide written notice to the homeowner or landlord of the reason for the non-compliance and demand either an immediate cure of the non-compliance or the voluntary repayment of the amount of program assistance provided; or
- Seek legal recourse in the judicial system for Volusia County of Florida.

ORR recognizes there may be a multitude of reasons for non-compliance including but not limited to, death, incarceration, military deployment, incapacitating disability, or another disaster. Homeowners or landlords may petition the Special Case Panel to review any extenuating circumstances that they believe should grant them relief from the requirements of the Note. The Special Case Panel will evaluate the concerns and make a determination on whether the recapture of funds is necessary.

If ORR recaptures, by whatever means, any funds from a non-compliant homeowner, then those funds will be returned to the current grant and utilized for any eligible grant activity. If the active construction phase of the grant is completed, then the recaptured funds will be subject to the requirements of the Federal Register Notice for the current grant and will be used in accordance with Volusia County's current Action Plan. If funds are recaptured after closeout of the grant that generated the recapture, then ORR will confer with HUD regarding transferring the recaptured funds to Volusia County's annual CDBG grant award.

9.6 Closeout

Case Closeout

All Single Family Repair and Replacement Program application files must be properly closed after the completion of the mandatory one-year warranty period. Prior to the closeout of completed cases, ORR will review each file to ensure that each case:

- Met a HUD national objective;
- Was an eligible activity; and
- Had no outstanding issues; and

- Contains an otherwise complete record of the case.

In order for a case to be officially closed, the review must be completed, the security instrument must be filed with the Volusia County Clerk of the Circuit Court, if applicable, and a Case Closure Form (Memo) must be generated. The Memo will be uploaded into the System of Record. The case file will be locked into a “read-only” status.

Procedures:

- After a home has passed the final inspection and the mandatory one-year warranty period has expired, the Administrative Specialist for File Compliance will review the case to ensure compliance with the Case Closeout Checklist.
- In the event that the file is incomplete or if additional information is necessary, the Administrative Specialist for File Compliance will notify the appropriate ORR staff member of the concern so to remedy the issue within 30 days of the closeout review.
- Any issue that cannot be resolved within 30 days will be flagged for review and escalated to the Activity Project Manager for Policy and Compliance.

Program Closeout

The closeout of a grant is a process in which HUD determines that all applicable administrative and program requirements of the grant were completed. Once HUD determines that all of the funds were expended and the activities were completed, or if ORR requests initiation of the closeout process, the assigned HUD office will proceed with grant closeout. The Single Family Repair and Replacement Program is ready for closeout when the following conditions are met:

- All CDBG-DR funds were spent on eligible activities and met a national objective;
- Administrative, Planning, and Program Delivery Costs:
 - a. No more than 15% of the total grant was used for planning costs;
 - b. No more than 5% of the total grant was used for administrative costs;
 - c. At least 80% of the total grant was used for program delivery costs;
 - d. At least 70% of the grant was used to address the LMI population.
- Other responsibilities of ORR under the grant agreement and applicable laws and regulations have been carried out satisfactorily (such as the reporting requirement), or there is no further federal interest in keeping the grant agreement open for the purpose of securing performance.

Once ORR and the HUD staff jointly determine that ORR is prepared to begin the closeout process, HUD will inform the grantee that the closeout process has commenced and ORR will complete the following documents: Program Closeout Checklist; and Grantee Closeout Certification. To ensure that the criteria for closeout have been met, ORR will review the following for consistency with the following HUD files and systems:

- Line of Credit. Check to determine if ORR has any remaining funds in the line of credit. Any remaining funds will be canceled through the closeout process.
- Audit Reports and Monitoring Letters. Review files to determine if there are any unresolved monitoring, audit findings, and/or citizen complaints.

- DRGR Reports or Financial Status Reports. Check to determine all grant funds have been drawn down and all activities have been completed.

Once HUD determines that the criteria for closeout were met, HUD will complete and execute the Grantee Closeout Certification. Within 90 days of the Closeout Certification execution, ORR will submit the final performance report in the DRGR system. Once HUD completes all final reviews, a closeout agreement will be prepared by HUD and executed by ORR. If there are any remaining unused funds in the grant, HUD will recapture these CDBG-DR funds. HUD is then responsible for closing the grant in DRGR.

Record Retention and Access

ORR will establish and maintain such records as may be necessary to facilitate review and audit by HUD of Volusia County's administration of CDBG-DR funds under 24 CFR § 570.493. All records documenting funding decisions will be kept, regardless of the organizational level at which final funding decisions are made, so that they can be reviewed by HUD, the Inspector General, the Government Accountability Office, and citizens pursuant to the requirements of 24 CFR § 570.490. Representatives of HUD, the Inspector General, and the General Accounting Office will have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG-DR funds and necessary to facilitate such reviews and audits. All records of Volusia County will be retained for the greater of five (5) years from closeout of this grant. All physical and electronic records, following closeout of this grant, will be maintained by the Volusia County Office of Recovery and Resiliency.