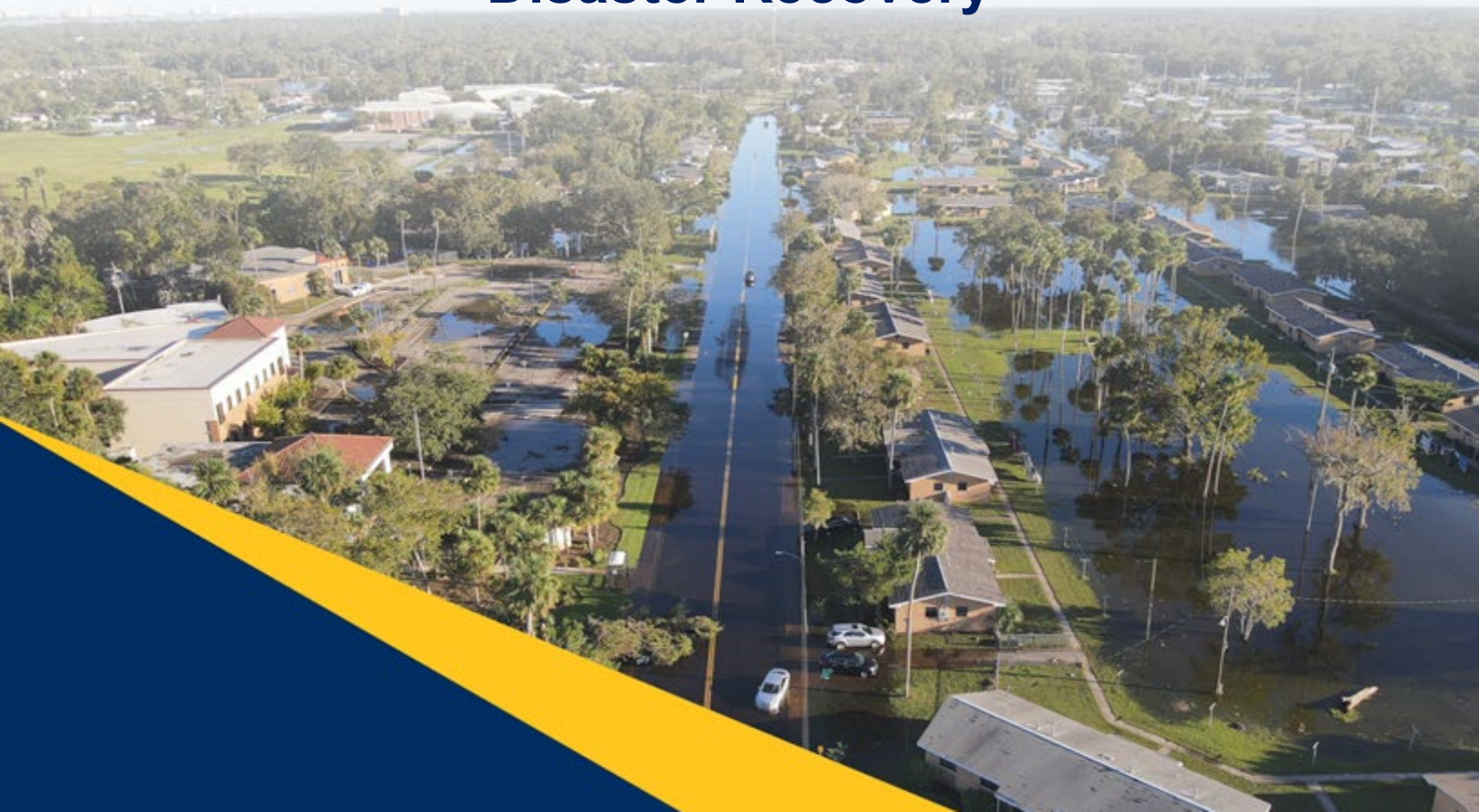
Volusia County
FLORIDA

TRANSFORM386
STRENGTHENING VOLUSIA'S FUTURE

Hurricane Milton Homeowner Recovery Program Policies and Procedures

Community Development Block Grant – Disaster Recovery



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Version History

Version	Date	Notes
1.0	July 31, 2025	Initial policy manual based on program model described in the Action Plan.

1.1	September 8, 2025	Updated the section heading in Section 5.6; updated the timelines in Section 6.13; clarified and updated the URA policy 10.6;
1.2	February 19, 2026	Added Medium Income definition; updated Replacement definition in 1.1; Updated national objectives to include Urgent Need; added buyout pathway; added 81% to 120% AMI columns to Applicant Priority Matrix in 1.2; Updated national objectives to include Urgent Need; added buyout pathway; added 81% to 120% AMI columns to Applicant Priority Matrix in 2.0; Added 81% to 120% AMI columns to Applicant Priority Matrix; updated priority numbers in 2.2; Added Verification Summary Spreadsheet as an option for proof of storm damage in 2.4; Clarified IRS documentation options for income verification in 2.6; Clarified exception to Homestead requirement to prove primary residency in 2.7; Clarified denial process in 2.13; Clarified damage assessment procedures when a structure is unavailable for an ECR or DRV in 3.0; Updated price increases using Xactimate in 5.1.1; Clarified that exceptions to MHU policy will be considered by SCP in 5.2.2; Clarified that the buyout pathway is excluded from future residency obligation in 5.4.1; Clarified Voluntary Temporary Housing Relocation During Construction in 5.6; Clarified that repair or replacement of unpermitted living space conversions are ineligible activities in 6.1; Updated Contractor Responsibilities in 6.2; Updated to reflect that both the IC and ORR staff may conduct quality control inspections in 6.8; Added pool enclosures to items that will not be included in DRV in 7.5; Changed “program” to “pathway,” clarified DRRA in 8.0; Clarified LMI incentive in 8.2.1; Adjusted numbering/clarified URA key definitions in 10.6
1.2	March 6, 2026	Added Income Verification sources to 2.6. Made some minor grammatical corrections under 10.6. Un-bulleted Exceptions statement under 5.2.2.
1.3	March 24, 2026	Added buyout to preliminary pathway determination in 5.1; updated contractor responsibilities in 6.2; updated change orders and the need for advance approval in section 6.9; updated appeal timeline in section 11.3
1.4	April 17, 2026	Added changes to household composition procedures to section 2.3; Added communication designee requirements to section 2.10; Updated storm damage verification criteria in section 2.11; Added early lien release request section in 5.4.1; Adjusted policy to reflect that liens will no longer include the temporary housing stipend after May 1, 2026 in section 5.6; Updated demonstratable hardship in section 10.5
1.5	June 15,2026	Added Citizenship Verification to section 2.3
1.6	July 9, 2026	Inactive to closed timeline updated in section 2.14

1.7	July 27, 2026	Included pre-storm valuation language to section 8.1
1.8	September 17, 2026	Updated URA verbiage in 10.6
1.9	October 8, 2026	Added noncompliance opportunity to cure language to section 11.6

1.0 Overview

The U.S. Department of Housing and Urban Development (HUD) announced that Volusia County will receive $133,515,000 in funding to support long-term recovery efforts following Hurricane Milton (FEMA DR-4834-FL) through the Volusia County Office of Recovery and Resiliency. Community Development Block Grant-Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This policy manual details how funds will be managed to address the unmet housing need in Volusia County through the Homeowner Recovery Program.

HUD has authorized the program to treat applicants with damage from either Hurricane Ian or Hurricane Milton interchangeably. For this purpose, disaster damage for either storm will allow for service to either program and references to Hurricane Milton shall also apply to Hurricane Ian throughout this document. Applicants who applied to the Hurricane Ian Single Family Homeowner Repair and Replacement Program prior to April 29, 2025 should continue to refer to the Single Family Homeowner Repair and Replacement Program Policies and Procedures manual for applicable requirements under that program.

1.1 Definitions

Age-Dependent: Age-Dependent refers to applicants with household members who are either 65 years old or over, or 17 years old or younger, at the time of an application initiation.

Application: refers to point in the process when an applicant has submitted preliminary eligibility documentation and has had a damage assessment conducted on their home.

Area Median Income (AMI): Calculated limits based on HUD-estimated median family income with adjustments based on family size.

Adjusted Gross Income (AGI): defined as gross income minus any specific deductions as allowed by the Internal Revenue Service (IRS).

Case Management: Working with individual survivors and their families to understand the Homeowner Recovery Program's housing options, resulting in a clear and transparent determination of eligibility.

Demolition: The destruction, clearance, and proper disposal of buildings, improvements, and any other necessary items from an eligible property.

Duplication of Benefits: The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG- DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

Environmental Review: All projects must undergo an environmental review process prior to the signing of a grant agreement. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Housing and Urban Development Act of 1968, Section 3: Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by 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. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

LMI – moderate: The moderate-income category describes applicants with household income levels between 51% and 80% of the Area Median Income level.

LMI – low: The low-income category describes applicants with household income levels between 31% and 50% of the Area Median Income level.

LMI – very low: The very low-income category describes applicants with household income levels between 0% and 30% of the Area Median Income level.

Manufactured Housing Unit (MHU): A residential structure designed for dwelling, built on an integral chassis, and transportable in one or more sections. It must be at least 8 body feet wide and over 35 body feet long (including the hitch). Furthermore, it cannot have been originally sold as a recreational vehicle and includes its plumbing, heating, air conditioning, and electrical systems.

Medium Income: medium income describes households between 81% and 120% of the Area Median Income. While such households are eligible for assistance, they cannot meet an LMI national objective. **Reconstruction:** refers to the demolishing of a site built housing unit and rebuilding it on the same lot.

Replacement: refers to the demolishing of an MHU and replacing it on the same lot or an approved relocation lot

Site-built Home: site-built home refers to any home that is built on a fixed foundation, whether it be made of brick or cinderblock construction or wood-frame construction.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay or turn over to Homeowner Recovery Program any duplicative assistance if they later receive other disaster assistance for the same purpose.

Substantial Damage: refers to damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before damage occurred. 44 CFR 59.1.

Substantial Improvement: means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred “substantial damage”, regardless of the actual repair work performed. The term does not, however, include either:

> (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or

(2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure." 44 CFR 59.1.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to URA): Applies to all acquisitions of real property or displacements of persons resulting from Federal or federally-assisted program or projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multi-family damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

1.2 Purpose and Objectives

The purpose of the Homeowner Recovery Program is to assist Volusia County residents whose homes were damaged by Hurricane Milton. Under the Volusia County's CDBG-DR Action Plan, assistance will be provided for the rehabilitation of homes. The program will focus on unmet housing needs for applicants ("applicants" includes co-applicants) by providing safe, sanitary, and secure housing. The program will directly address homeowner's unmet housing need by providing housing rehabilitation services and/or reimbursement for repairs conducted by homeowners.

All proposed activities within the Homeowner Recovery Program will meet one of the following HUD National Objectives: benefit low- and moderate-income persons or address an Urgent Need. The maximum award for rehabilitation is $125,000, site-built reconstruction is $325,000, and mobile home/MHU replacement is $200,000. Reconstruction and replacement award caps are not inclusive of site-specific costs. The Homeowner Recovery Program will also offer reimbursement awards of up to $125,000 to qualified homeowners who completed their own home repairs prior to finalization of their application for housing assistance or January 21, 2027, whichever is earlier. The program also offers a buyout pathway with a maximum award amount of $450,000, not including incentives as well as a match pathway with a maximum award amount of $100,000.

Applicants applying for assistance must have suffered documented damage to their housing units as a result of the eligible presidentially declared disaster(s). All applicant homeowners will be held to the following criteria as a condition of eligibility:

- Applicant must own and have occupied a single-family home or manufactured housing unit (MHU) located within Volusia County at the time of Hurricane Milton in October 2024;
- The property must have documented damage as a result of the declared disaster;
- Applicants must provide evidence of primary residency at the damaged property location, showing that the applicant lived there at the time of Hurricane Milton and when applying for assistance[1];
- One person on the application must have an ownership interest in-part or in-whole in the property;

[1] ORR understands that some applicants may have been displaced from their home as an ongoing result of Hurricane Milton. Applicants who are residing in another location at the time of application must demonstration that their current residence is only temporary and that they intend to return to the home they resided prior to being displaced by Hurricane Milton.

- The homeowner must agree to own the home and use the home as their primary residence for a period of 5 years; and,
- If located in a floodplain, the applicant must acquire flood insurance and comply with obligations to notify future owners of flood-insurance requirements.

In order to assist the most vulnerable populations with this disaster recovery funding, Volusia County intends to prioritize assistance for all housing Programs based on the following criteria:

- Households who are in the very-low, low, and moderate income brackets;
- Persons with documented disabilities; and
- Age-dependent household members at the point of application submission (aged 65 or older, or 17 or below).

Priorities will be addressed as follows, in accordance with the Volusia County's Action Plan:

Criteria Consideration	30% AMI or below	31% to 50% AMI	51% to 80% AMI	81% to 120% AMI
Household includes either age dependent or disabled	1st Priority	3rd Priority	5th Priority	7th Priority
Household includes neither age dependent or disabled	2nd Priority	4th Priority	6th Priority	8th Priority

Table 1: Applicant Priority Matrix

2.0 Program Eligibility

Homeowners who occupied a structure that was damaged by Hurricane Milton are eligible for Homeowner Recovery Program assistance provided they are at or below 120% of the Area Median Income (AMI). Applicants will be required to provide complete, accurate, verifiable information regarding their household composition, household income, ownership, and residency status to ORR's Project Coordinators during application intake. Failure to disclose complete and accurate information in a timely manner may affect applicant eligibility. Any applicant who deliberately submits inaccurate, incomplete, or false information to meet the eligibility standard will, at a minimum, be required to make full restitution to Volusia County.

Each preliminary application will be reviewed for the following eligibility and benefit determination criteria by ORR's Project Coordinator's during intake:

- Identity,
- Home ownership and primary residency status,
- Income,
- Proof of damages sustained during the applicable storm,
- Proof of disability status (if applicable)

During the eligibility review, ORR will also consider disability status and/or age dependency to determine an application's priority status (see, Table 1, "Applicant Priority Matrix").

2.1 Intake

Volusia County residents will be applying for CDBG-DR housing assistance directly to the Homeowner Recovery Program online at transform386.org. Applicants will need to submit proof of residency, homeownership, and proof of income. Additionally, applicants must authorize the Homeowner Recovery Program to conduct a damage assessment and obtain 3rd-party data to verify any disaster related assistance that may be duplicative.

The Homeowner Recovery Program will review documentation submitted to determine if the applicant meets the threshold eligibility criteria (ownership, primary residency, eligible hurricane damage, and income) for assistance. Application priority will be given to households with members who are disabled and/or households with age-dependent members (age 65 and older, or 17 and younger, at the point of application submission). ORR's Project Coordinators will contact homeowners with incomplete applications to collect any missing eligibility documents.

2.2 Prioritization

The Homeowner Recovery Program will utilize the following prioritization matrix to determine which applicants will be served and the order in which they will be served:

Criteria Consideration	30% AMI or below	31% to 50% AMI	51% to 80% AMI	81% to 120% AMI
Household includes either age dependent or disabled	1st Priority	3rd Priority	5th Priority	7th Priority

Household includes neither age dependent or disabled	2nd Priority	4th Priority	6th Priority	8th Priority

Table 2: Applicant Priority Matrix

ORR prioritizes applicants based on income, age dependency, and the presence of disabled individuals in the household. There are six priority categories with one being the highest, and eight being the lowest. ORR will not have the funds to serve all preliminarily eligible applicants. Service will be provided in the following order:

1. All priority one applicants will be served first.
2. Priority two through eight applicants will be served by HUD AMI income tier with households with age-dependent and disabled members being prioritized within that tier.
3. ORR will follow these prioritization steps until program funds are exhausted.

ORR will follow these prioritization steps through the end of each calendar year. If the application portal remains open into a new calendar year, a new prioritization list will begin using the same criteria. Applicants from the previous year will be served first, in order of priority, before ORR begins serving applicants from the new year until funds are expended.

2.3 Identification

All applicants and household members will be required to submit documentation to prove their identity. This documentation may include, but is not limited to, the following:

- Government-issued photo identification, or
- Certificate of Naturalization/Permanent Resident Card

Although some form of identification is required for each household member, government-issued photo identification is required for all household members 18 years of age or older. Minor-age household members may use a birth certificate for identification purposes. Alternate documentation of identity may be approved on a case-by-case basis by the Special Case Panel.

Should the applicant's household composition change between the timeframe of application submission and award letter issuance, the applicant must notify their Project Coordinator to initiate case reevaluation.

Citizenship Verification

In accordance with applicable federal requirements, all household members included in an application for direct-benefit assistance must provide documentation verifying United States citizenship.

Citizenship documentation shall be collected and reviewed during the eligibility determination process. Assistance may not be approved, awarded, reimbursed, or closed until citizenship verification requirements have been satisfied for all household members included in the application.

Acceptable citizenship documentation for all household members must include one of the following:

• U.S. Passport;

• U.S. Birth Certificate;

• U.S. Certificate of Naturalization; or

• U.S. Certificate of Citizenship

Failure to provide required citizenship documentation may result in a delay of eligibility determination or denial of assistance.

2.4 Proof of Storm Damage

In order to preliminarily confirm an applicant's claim of damage to the dwelling by the applicable disaster, one or more of the following must be provided:

- FEMA award letter for home repair
- SBA award letter for home repair
- Homeowner, Flood, or NFIP insurance claim result letter
- Photos submitted by the applicant, and attested to as disaster-damage
- Verification Summary Spreadsheet with direct confirmation of storm damage by insurance carrier

2.5 Disability Verification

The ORR policy is to resolve disability questions in favor of the applicant where evidence exists in support of the disability. The Homeowner Recovery Program's policy is to be inclusive when considering disability as a priority basis to support the repair of storm damaged homes of those in need.

Procedures:

- ORR will receive preliminary applications and eligibility documentation through its online application portal.
- If an applicant indicates a disability at time of application by selecting the "Disabled" option from the online application form for one or more of the following must be provided as supporting documentation:
    - Disability letter
    - Medical Professional's certification of disability
    - Valid disability ID (including parking placard/registration)
    - Other documents may be considered on a case-by-case basis
- The intent to apply for disability benefits but not having been declared disabled is not sufficient evidence to establish disability without providing additional medical documentation.

2.6 Household Income

In order to assess an applicant's eligibility and determine their priority status, the Homeowner Recovery Program must verify the applicant household's total income. A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group

of related or unrelated persons who share living arrangements. Household members are all persons (minors and adults) who are living in the damaged home.

The Homeowner Recovery Program will calculate household income by using the Adjusted Gross Income (AGI) method. Adjusted Gross Income is defined as gross income, which includes wages, dividends, capital gains, and business income, minus adjustments to income, such as educator expenses, student loan interest, etc.

In cases in which a household member files a federal tax return on behalf of the entire household, the Homeowner Recovery Program will only require the most recent filed tax return. However, for households in which the household members file their own returns, the Homeowner Recovery Program will use the following rules to determine the income of household members to be included in the household income calculation:

- Minors - Earned income of minors, including foster children (under 18) is not counted. Unearned income attributable to a minor is included in the household income calculation (Examples include payments from trusts, stocks, bonds, etc. if the payments are taxable at the Federal level).
- The income of temporarily absent family members is counted in the annual income, regardless of the amount the absent member contributes to the household. Temporarily absent family members are also counted as a member of the household when determining the household size.
- In the event that one of the following special circumstances applies, the income of the referenced individuals will be excluded from the total household income calculation:
    a. Persons who are temporarily living with the applicant;
    b. Persons who are employed by the household as a live-in aide and/or are a child of that aide. Note: A live-in aide/caregiver that is related does not qualify. In such cases, their income will be included in the total household income calculation and the live-in aide, and any child of the aide will be included in the total household composition; and
    c. If an applicant is married and their spouse is absent from the household, the income of the absent spouse will not be included in the total household income if documentation of a separate residence for the absent spouse is provided.

All household members 18 years of age or older must provide a copy of their previous year's filed tax return, official tax return transcript, tax account summary, or the IRS record of account transcript. If provided, no other income documentation will be required.

If no previous year’s filed tax return or official tax transcript can be provided, the household member must submit one (1) of the following two methods, as applicable:

- Method 1: A completed Certification of Zero Taxable Income form; proof of any non-taxable income, if applicable; two (2) consecutive months of bank statements; and one (1) of the following IRS documents:
    - IRS Verification of Non-Filing Letter
    - IRS Account Transcript
    - IRS Record of Account
- Method 2: The last two (2) months of income documentation; two (2) current consecutive months of bank statements and one (1) of the following IRS documents:
    - IRS Verification of Non-Filing Letter
    - IRS Account Transcript
    - IRS Record of Account

If a household member provides a filed tax return for the previous filing year but believes that their income has since decreased, they may submit the last two months' income, as well as two months of consecutive bank statements in addition to their prior year's filed tax return or official tax transcript.

2.7 Primary Residency

The Homeowner Recovery Program will validate the applicant's primary residency by verifying the damaged property address's "Homestead" status in the Volusia County Property Appraiser's database for dwellings on owned property. An exception to the homestead requirement may apply if the applicant purchased the home within the same year but prior to the storm and was unable to establish Homestead status before the disaster occurred. In such cases, primary residency may be verified by providing documentation of ownership (recorded deed) showing the home was purchased prior to the storm, along with confirmation that Homestead status was granted for the property in the years following the storm. For dwellings on non-owned property, the applicant must provide the following:

- Lease/rental agreement covering the time period of the applicable storm, and
- Lease/rental agreement covering the time period of this application
    - A lease dated prior to the disaster that auto-renews shall be considered valid for both time of disaster and time of application

All documentation will be reviewed to ensure the documents include the applicant's name, the damaged property address, and is dated at the time of the disaster (if applicable) to reasonably substantiate the damaged property was the applicant's principal place of residence at the time of the disaster.

Primary Residency Exceptions:

Exceptions to this Policy include the following:

- An Owner/Occupant that is/was in the United States military and was deployed outside of the United States may still qualify for an award as long as he or she is/was not renting the property to another person.
- An Owner/Occupant who was temporarily living in a nursing home, assisted living facility or other medical facilities may still qualify.

If the Owner/Occupant of the damaged property in October 2024 died after the disaster, the applicant (heir) must provide evidence that the damaged property was also the applicant (heir's) primary residence at the time of the applicable disaster.

2.8 Home Ownership

All applicants must be able to demonstrate their ownership/ownership interest at the time of the disaster and that they are the current owner of the damaged dwelling for which they are requesting assistance.

The following documents may be provided for proof of ownership:

- Ownership of damaged property location (if applicable)
    - Court order or judgement granting ownership of property
    - Deed or Official Record for the home
    - Probated Will

- Ownership of MHU
    - Florida Department of Highway Safety and Motor Vehicles issued MHU Certificate of Title(s)

For non-occupying co-owners, proof of each co-owner's residency elsewhere is required. The following documents may be provided for proof of residency elsewhere:

- Current Government Issued Identification indicating a different address
- Current rent/lease agreement indicating a different address
- Homestead exemption in their name only at a different address
- Current utilities bills for a different address
- Other documentation may be considered on a case-by-case basis

In addition to demonstrating an ownership interest at the time of the disaster, owners of disaster-affected homes must also meet the following requirements to be eligible to receive program assistance:

- Homeowner must have a clear title to the property; and
- Homeowner must be current on property taxes, mortgage payments, and other fees; and,
- Homeowner must have maintained flood insurance if the property is located in the 100-year floodplain and the property previously received federally-funded disaster assistance.

2.9 Mortgage/Encumbrances

The Homeowner Recovery Program requires applicants to disclose any active mortgages, liens, or other encumbrances filed against the damaged property. For any active encumbrance to which a payment plan exists, a copy of the current statement showing that payment is not delinquent is required.

For applicants who have a mortgage and are in the reconstruction or replacement pathway, ORR will confirm with the applicant's current mortgage holder whether reconstruction or replacement of the dwelling is permitted prior to issuance of award.

2.10 Additional Documentation

Communication Designee

The Homeowner Recovery Program understands there may be circumstances when an applicant may prefer another individual to be able to assist with obtaining information, Program status, and being a secondary contact. Each applicant will be able to designate a third party to communicate with Homeowner Recovery Program on their behalf by consenting to a communication designee on their application. Communication designees must be immediate family members or representatives of an agency approved by the ORR Director. A communication designee is authorized to make inquiries with Homeowner Recovery Program officials regarding the status of an applicant's application. Communication designees are not authorized to sign documents or affidavits, nor make decisions on behalf of the applicant unless he or she also has Power of Attorney. Communication designees must always have the identification information necessary to prove their identity in their possession.

Power of Attorney

Applicants may have circumstances that require an appointment of an individual (agent) as Power of Attorney, which gives another person the authority to act on their behalf in either specified or all legal or financial matters. The person receiving the power of attorney (agent) is the "attorney in fact" for the person giving the power.

There are multiple types of Power of Attorney to include: General (which covers all activities); Medical (can be used only for medical decisions and is not applicable for Program use); Special (limited to specific powers only); and Durable (generally covers all activities and is not affected by subsequent disability or incapacity of the principal). A power of attorney generally is terminated when the principal dies or becomes incompetent, but the principal can revoke the power of attorney at any time.

Any applicant or their agent may submit a signed and notarized Power of Attorney (POA) which will allow the agent the right to act in the same capacity as the applicant for all actions related to the application. In the event a Power of Attorney for an applicant is received, ORR staff will do the following:

- Review the document to determine the type of power granted (durable, limited, medical, etc.) to the named agent, and that it has been signed and notarized;
- Obtain contact information for the agent with POA and a copy of valid identification for placement in the applicant file; and
- Secure or make a physical or electronic copy of the Power of Attorney to be maintained with the applicant file.

2.11 Disaster Damage

To receive housing recovery assistance, the applicant's property must have sustained damage by Hurricane Milton. Disaster damage is defined as rain, wind, and/or flood damage received as a direct result of Hurricane Milton to the damaged property. Using a 2-Phase process, the Homeowner Recovery Program will determine if a property received damage from the disaster.

Phase 1

Applicants will provide a reasonable confirmation of damage to their primary dwelling from the disaster at the application stage. This documentation may include, but is not limited to, one of the following items:

- FEMA claim letter for housing repair demonstrating payment for primary dwelling structure damage;
- SBA loan documentation demonstrating payment for primary dwelling structure damage;
- NFIP claim payment for primary dwelling structure damage;
- Private insurance claim paid for primary dwelling structure damage;
- Litigation payment resulting from a denied insurance claim or potential payment due to pending litigation;
- Photos submitted by the applicant, and attested to as disaster-damage, as part of the application;
- Verification Summary Spreadsheet with direct confirmation of storm damage by insurance carrier; or
- Confirmation of disaster damage during an initial program site visit.

The purpose of the Phase 1 damage validation is to reasonably confirm applicant eligibility in advance of the on-site damage inspection (Phase 2).

Phase 2

A Damage Assessor will inspect the property and prepare a written report with photographs to document both repaired and unrepaired disaster-related damage. If the inspection cannot confirm that the property sustained damage and the applicant cannot provide supporting documentation, the property may be deemed ineligible for assistance.

Exceptions may be made on a case-by-case basis if an applicant's home was damaged by the disaster and was subsequently demolished or relinquished to a MHU park.

2.12 Structure Type

The Homeowner Recovery Program will only provide assistance that goes towards the primary dwelling structure of a site-built (i.e., wood-frame or cinderblock constructed) home, a mobile, modular, or manufactured housing unit (MHU) that are single unit structures. ORR will not provide assistance to non-primary structure assets on the property such as sheds, fences, or accessory structures. Single family homes that are part of a 2–4 unit structure will be eligible for reimbursement only.

ORR will not provide assistance to properties which are commercial in nature or are offices or warehouses which have portions converted to living space. If the damaged property is anything other than these structure or assistance types listed above, the applicant will be referred to the Special Case Panel (SCP) and a determination as to whether assistance can be provided will be made.

2.13 FEMA Non-Compliance

Applicants found to be non-compliant with FEMA regulations or who failed to comply with the requirements of the National Flood Insurance Reform Act are not eligible for CDBG-DR assistance. An applicant is FEMA non-compliant if they failed to obtain and maintain flood insurance after receiving federal funding for a previous disaster.

2.14 Inactive to Closed Cases

There are a variety of reasons why an applicant may not receive service. These include, but are not limited to, incomplete documentation, unpaid taxes, unclear title, or impediments to construction. Applicants that fail to correct identified issues within a 21 day timeframe will have their case moved to an inactive status. All applicants that do not resolve the identified issue within 15 days of the change to an inactive status will be closed.

Any applicant that receives the written notification that their case will be closed may appeal that decision or provide the necessary documentation within 15 days of the case being closed. Once the 15-day time frame has expired the applicant may not submit an appeal.

2.15 Denials

Any application that is denied must be reviewed by the DCM Supervisor. The Project Coordinator will contact the applicant to notify them of the denial.

3.0 Damage Assessment

Completion of the Damage Assessment results in finalization of the program application and creates an initial Estimated Cost of Repair (ECR) and Damage Repair Verification (DRV). These reports will be used to establish the proposed project pathway.

Reports will be created using Xactimate estimating software utilizing the program approved pricelist. The Damage Assessor must ensure that the ECR takes into account all local building code requirements as well as the Homeowner Recovery Program's Housing Quality Standards (HQS).

When a structure has been condemned, demolished, relinquished, or otherwise unavailable for an ECR and DRV, the program will utilize an abbreviated process outside of Xactimate.

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 Homeowner Recovery 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 not reflect actual award amounts.

1. Identify Applicant's Total Need Prior to providing assistance	$125,000
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	$125,000
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 Homeowner Recovery 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.

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 Homeowner Recovery 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 Homeowner Recovery 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 awarded assistance, 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 more than 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 can 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.

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

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 NFIP database.

The Homeowner Recovery Program will determine the duplication of benefits regarding Increased Cost of Compliance (ICC) funds for elevation and/or demolition activities. ICC coverage is separate from and in addition to insurance coverage that provides for structural or personal flood damage repairs.

Private 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 considered a DOB. Applicants must submit the following:

- Insurance award claims letter (if applicable); or
- Litigation settlement documentation

Insurance proceeds are determined and verified by the Homeowner Recovery Program by contacting the insurance company. If ORR is unable to obtain a response from the insurance company within three weeks, it will use the amount indicated in the applicant documentation.

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 Homeowner Recovery 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 Homeowner Recovery 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.

Charity

Applicants are required to report any home repair funds received from charitable organizations. The Program will attempt to independently verify the amounts disclosed.

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. Such activities include:

- Contractor Fraud;
- Forced Mortgage Payoffs; and
- Legal Fees

These activities are considered allowable as they do not directly conflict with the services being provided by the Homeowner Recovery Program.

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 Homeowner Recovery 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 Homeowner Recovery 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 Homeowner Recovery Program will review the submitted documentation and verify the amount paid to the Attorney to be excluded and reduce the DOB.

Duplication of Benefits Gap Funding

In the event that the applicant utilized funds that were earmarked for home repair for ineligible purposes, the applicant will be required to provide those funds to the program as a condition of receiving assistance. These funds will be used to offset the program's cost for the applicant's assistance.

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. The Program may allow for scope reductions in certain situations to overcome DOB Gaps. Applicants who fail to agree to provide their DOB Gap contribution within the 30-day time period will be issued a case closure letter.

5.0 Award Determination Overview

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

- Up to $100,000 for eligible mitigation grant match,
- Up to $125,000 for home repairs,
- Up to $125,000 for reimbursement of qualified pre-application repairs
- Up to $200,000 for mobile home unit replacements,
- Up to $325,000 for reconstruction of site-built homes, or
- Up to $450,000 for buyout, not inclusive of additional incentives

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),
- 4 bedroom/2 bathroom configuration,
- Temporary relocation assistance; or
- Site specific costs

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.

5.1 Feasibility Analysis and Pathway Determination

At the time of application applicants will indicate their interest in the Program's potential pathways;

- Rehabilitation;
- MHU Replacements;
- Site-built Reconstructions;
- Buyout;
- Reimbursement; and
- Local Match.

Preliminary Pathway Determination For Program Managed Construction Activities

The Estimated Cost of Repair (ECR) provides the starting basis for determining the project pathway for the home. If the ECR indicates that the home can be repaired for less than the $125,000 award cap and the home is either not located in the 100-year floodplain or located in the 100-year flood plain but will not, once repaired, cross the substantial improvement threshold, the default project pathway is repair.

If the rehab of the home would result in substantial improvement (greater than 50% of the fair market value) and the home is located in the 100-year floodplain, the home may be designated as a replacement or reconstruction as the home must be rebuilt and elevated so that the ground floor is at least two (2) feet above base flood elevation. Alternately, the buyout pathway may be considered. If the ECR indicates that the cost of rehabilitating the home is more than 50% of the

cost of reconstructing the home or if the cost of repairing the home is likely to exceed the repair award cap of $125,000, the home may be deemed “not suitable for rehabilitation” and may be considered for replacement or reconstruction. Alternately, buyout may be considered for homes located in a Disaster Risk Reduction Area (DRRA). 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 likewise be designated a replacement or reconstruction.

The Volusia County Office of Recovery and Resiliency will partner with the Volusia County Property Appraiser’s Office to obtain fair 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 data will include an appreciation factor to compensate for the 15% discount that the Volusia County Property Appraiser applies in consideration of various transactional costs.

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 Homeowner Recovery Program. Rehabilitation projects may include costs for overhead and profit.

ORR will review the cost reasonableness of Xactimate’s pricing on a semiannual basis (once every six months) or as needed. If ORR determines that a price increase must occur based on an actual percent increase of construction costs, ORR’s Housing Program Manager will prepare a memorandum for review and approval by the ORR Director and deliver it to the Implementation Contractor and Volusia County’s Purchasing and Contracts Division upon approval. If ORR chooses to implement a price increase, it will be applicable to cost estimates and change orders submitted on or after the memo approval date.

All materials purchased for use in the Homeowner Recovery 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 establishing the Housing Quality Standards and will perform regular construction monitoring to ensure all contractual obligations are met.

5.1.2 Reconstruction and Replacement Cost

The program will utilize pre-approved master floorplans whose cost is established based on a separately conducted pricing analysis. The total cost will include both the master plan value and any additional site condition and/or jurisdictional requirements.

5.1.3 Homes Located in the Floodplain

Any residential structure within a Special Flood Hazard Area 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).

Homes in the floodplain that receive federal assistance are required to maintain flood insurance, therefore ORR must communicate this requirement to the applicant. This communication will occur at the Contract Signing Event.

MHU Replacements in a Floodplain

For all newly installed MHUs located in the Special Flood Hazard Area 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.

5.2 Pathway Notification

Upon completion of the feasibility analysis, ORR will contact the homeowner applicant to notify them of the proposed project pathway and results of their initial DOB calculation. ORR will confirm the applicant's interest in continuing in the process.

For replacement or reconstruction projects, the proposed floor plan configuration will be based on the larger of either the current household composition or the existing disaster-damaged structure configuration up to a 4 bedroom/2 bathroom floorplan. Floorplans offered based on household composition will be established to avoid the following criteria:

- 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

5.2.1 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 Homeowner Recovery Program.

For applicants who have a mortgage that are in the reconstruction pathway, ORR will confirm with the applicant's current mortgage holder whether reconstruction of the primary structure is permitted prior to closing. In the event that the mortgage holder does not permit reconstruction, the case will be referred to the Special Case Panel for a determination as to whether another recovery pathway is feasible.

5.2.2 Manufactured Housing Units

If an applicant applies for assistance for a disaster damaged MHU, the replacement unit will generally be of the same configuration type (singlewide for singlewide, doublewide for doublewide).

For all MHU Replacements the proposed floorplan configurations will be based on the larger on either the current household composition or the existing disaster damage structure configuration, up a 4 bedroom/2bathroom floorplan.

In an effort to ensure flexibility in unit availability and equity for program participants in awards received, the program may provide a range of size options by bedroom configuration. 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 configuration type and/or 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 or relinquished to the MHU park 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;
- The proposed new location is either owned by the applicant, or the applicant has a non-binding agreement for the new location;
- The installation of the new MHU will conform to the mobile home park's rules; and
- The proposed new location is not located in the 100-year floodplain

Exceptions to these conditions may be considered on a case-by-case basis and must be approved by the Special Case Panel.

5.2.3 Reasonable Accommodations

Applicants may request that reasonable accommodations be made to the project scope of work during the cost estimate site visit. 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 Homeowner Recovery Program will pay a fixed cost for the ramp that is in addition to the original fixed cost.

5.2.4 Alterations to the Structure's Orientation

If the project type is a site-built reconstruction or an MHU replacement the program will endeavor to replace the home within the original footprint with the original orientation. In the event that this is not feasible, the applicant will be notified of the revised plan during the pre-construction meeting for the project.

5.2.5 Elevations in a Floodplain

For homes being reconstructed or replaced that are located in the floodplain, the Homeowner Recovery Program will pay a prorated elevation per foot price. Since the first three (3) feet of elevation are included in the base price, the per foot calculation starts each foot over three feet. For elevations over three feet, the Homeowner Recovery Program will pay a fixed price per each additional foot to be approved by ORR.

5.2.6 Duplication of Benefits Notification

Applicants with a DOB Gap will receive written notification of the amount due. The applicant will have 30 days to remit payment or notify the program that payment will be made at their closing event.

Applicants in the reconstruction or MHU replacement pathway with a configuration of 3/2 or greater, who have a 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. Scope of Work reductions will be in one-bedroom increments at a fixed price as determined by ORR. While applicants may elect to waive the entirety of their ECR, Scope of Work reductions will not be offered for rehabilitation projects.

5.3 Award Letter

Once the homeowner applicant has indicated that they wish to proceed with the proposed project pathway and confirmed they can contribute their DOB Gap (if applicable), ORR will send the applicant an Award Letter. ORR staff will schedule the Contract Signing Event no sooner than 72 hours after sending the Award Letter.

5.4 Contract Signing Event

ORR will schedule a Contract Signing Event with the homeowner or their Power of Attorney designee. During the Contract Signing Event, the homeowner will sign all required documents and any other persons holding ownership interest in the property must sign the Grant Agreement and Lien.

Special Needs:

Applicants/co-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/co-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 or additional owner(s) is out-of-state and unable to attend their signing event appointment or homebound due to disability or illness. The needs of all applicants will be taken into consideration in an effort to provide a high level of customer service.

5.4.1 Residency and Repayment Obligation

For all program recipients (excluding those in the buyout pathway), the Homeowner Recovery Program requires a future residency obligation and execution of a lien to enforce that residency obligation. The obligation timeframe will be five years from the completion of the project scope.

Homeowners will sign a lien 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 must maintain the property in good condition.

Applicants who fail to comply with the terms of the lien 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 lien.

5.4.2 Early Lien Release Requests Due to Hardship

The program recognizes that certain circumstances may occur that require a recipient to be forced to sell or transfer ownership of their home during the 5-year lien period. Examples include but are not limited to:

- Death in the family
- Forced job relocation
- Medical necessity resulting in forced relocation

Recipients that are forced to sell or transfer ownership of their home have an opportunity to petition the Special Case Panel for an early lien release. The Panel will review the circumstances surrounding the request and issue a recommendation to the ORR Director. The ORR Director will have ultimate authority to release the lien.

5.5 Pre-Construction

ORR staff will notify the IC that the applicant has completed all required documentation and that they may proceed with contacting, scheduling, and conducting the consultations with the homeowner. The IC will schedule two meetings with the applicant, the cost estimate and the pre-construction consultations. The cost estimate will cover site-specific concerns on MHU replacement and reconstruction projects only and scope validation for rehabilitations. The preconstruction consultations will occur and 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 Voluntary Temporary Housing Relocation During Construction

Applicants will be required to vacate the home for the duration of construction. If an applicant is unable to secure temporary housing for the duration of construction, the applicant may request financial assistance. A Temporary Housing Stipend Agreement will be signed at the CSE.

Applicants authorized for financial assistance for temporary housing for the duration of construction will get a three-month stipend for $2,000/month for a total of $6,000. If construction requires the applicant to be out of the home for longer than three months, the applicant may request additional assistance. This additional assistance may be provided at the rate of $2,000/month considered on a month-by-month basis.

Temporary housing stipends will no longer be included in the final lien amount, effective May 1, 2026. Previously recorded liens will not be amended to remove the stipend amounts. However, in cases where a lien is satisfied early through payoff and the applicant received a temporary housing stipend, the lien value will be reduced by the total stipend amount received. The adjusted lien amount would then be prorated across the 5-year lien agreement to determine the appropriate final payoff amount.

5.7 Portable On-Site Storage Units

ORR will fund one 8 x 8 x 16 portable storage unit for the storage of an applicant's possessions during the time of construction. Storage units will be priced in accordance with the price schedule in the Estimated Cost of Repair (ECR) as determined by Xactimate.

After the storage unit has been inspected by the program, applicants will have 15 days to move their belongings into the storage container. After the project has passed final inspection and the key-turnover event has been conducted, the applicant must empty the container of its contents within 15 days of the return of the portable storage unit or completion of the key-turnover event, whichever is later. 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

6.1 Eligible Construction Activities

The only construction activities that are eligible under the Homeowner Recovery Program are those that are necessary to restore structures damaged by Hurricane Milton 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.

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;
- Purchase of washers, dryers, dishwashers or removable air conditioning/heating units not attached to the house structure; and
- Repair to, or replacement of, unpermitted living space conversions.

6.2 Contractor Responsibilities

After assignment of a case from the County, the Implementation Contractor (IC) will be responsible for reviewing the project scope for each home, assigning projects to a GC, and overseeing construction. Construction oversight involves a combination of site inspections for each project, desk reviews of change order requests, and communication with the GC. Site inspections include construction progress inspections, the final program inspection, and any other inspections requested by ORR. The IC will be responsible for ensuring completion of construction in a timely manner once the construction Notice to Proceed (NTP) has been issued and for communicating with the homeowner during construction. A summary of IC and GC responsibilities is provided below.

The IC will be responsible for:

- Developing standardized floor plans at a fixed price;
- Creating a scope of work (SOW) for the damaged property;
- Assigning the SOW to a GC;
- Notifying ORR of all contractors or entities who will be paid for delivering program services, so that Volusia County can verify that they are not federally debarred or suspended;
- Ensuring that all required construction permits have been obtained;
- Overseeing construction progress and communicating any issues that arise to applicable ORR staff and homeowner;
- Reviewing all Change Order (CO) requests prior to submission to ORR.
- Ensuring no out-of-scope/undocumented work or side agreements occur

The GC will be responsible for:

- Performing the work specified in the SOW in a timely manner,

- Reviewing the SOW with the applicant for all construction activities prior to work commencing,
- 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 as required by the authority having jurisdiction,
- 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 as directed by ORR,
- Submitting CO requests to the IC in a timely manner
- Ensuring no out-of-scope/undocumented work or side agreements occur

6.3 Construction Communication

Frequent communication with the homeowners being served by the Homeowner Recovery 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 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 by the IC or GC. The IC must make a minimum of two attempts to contact the homeowner each week. All communication with the homeowner and attempts at communication will be documented in the SOR.

At the key-turnover event, the IC must provide the homeowner with a warranty magnet with contact information and date of warranty expiration. The warranty packet must be hand delivered to the homeowner and all items must be explained to and signed by the homeowner. The warranty packet must include:

- General information about the warranty, including start and end date and the warranty reporting phone number.
- Manufacturers' Warranty information for any mechanical items that were replaced during construction. Examples include, but are not limited to: HVAC systems, water heaters, well pumps, etc.)

6.4 Construction Timeliness

ORR has established limits for the amount of time that a homeowner should be out of the home. This period starts when the construction NTP is issued and ends when the home passes final inspection. The standard time frames are:

- 75 days for a site-built repair/rehabilitation
- 75 days for an MHU replacement
- 120 days for a site-built reconstruction project

Penalties may 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 in the SOR.

If, during a rehabilitation project that is underway, the IC encounters site-conditions that necessitate changing the pathway to reconstruction or replacement, the IC must notify applicable ORR construction staff of the recommended project pathway change no later than five days after the discovery.

6.5 Performance Evaluation

The GC will be subject to a performance evaluation by the IC on a recurring basis to assess their performance. This evaluation may include, but is not limited to, the following:

- Adherence to construction schedules;
- Quality of work performed to date;
- Quantity of homes completed;
- Demonstrated safety performance;
- Capacity (financial and construction) related to the number of jobs in progress;
- Applicant/Owner satisfaction; and
- Other defined performance criteria.

These criteria will be used by the IC as a consideration factor in awarding additional work orders. The associated quality score will factor into the assignments' process.

6.6 Labor Standards

All contractors will adhere to all labor standard requirements unless exempted. Where applicable, verification will be handled on a case-by-case basis for specific issues referred.

6.7 Permits and Codes

The GC will be responsible for documenting and obtaining all necessary permits for each job site.

- The permits will be posted at each site in plain view. A permit box in the front yard or posted in the front window of the home is acceptable.
- The GC will ensure work performed satisfies all Florida Building Code, International Energy Conservation Code (IECC), applicable green building standards, ORR HQS, and all other Federal, State, and local construction, health and safety code requirements upon project completion.
- The IC will provide general oversight of the work of the GC for each project. ORR construction staff will monitor construction progress via site inspection on a periodic basis.

6.8 Quality Control Inspections

Inspections for the purpose of quality control will be performed for each site by the IC and may also be performed by ORR construction staff to determine consistency across contractors and inspectors.

6.9 Construction Change Orders

The GC will conduct all due diligence activities prior to starting construction to discover any potentially unforeseen circumstances.

- If in the event any unforeseen conditions are discovered during the course of construction, the GC will prepare a Change Order (CO), with supporting documentation, and submit it to the IC for review and determination. The IC will then submit the CO to ORR in the SOR for consideration.
- If project costs including the CO do not exceed the allowable construction budget caps and applicable ORR construction staff deems the repairs necessary, the CO will be approved.
- If the project exceeds the allowable construction budget caps, the IC will consult with ORR construction staff to determine whether extenuating circumstances merit approval by the Special Case Panel (SCP).
- Once a CO has been approved by ORR, the IC must notify the homeowner via email of the CO.
- If a project type changes from a rehabilitation to a replacement or reconstruction, the GC shall deduct the work not completed from the scope and submit it to the IC for payment consideration. The IC shall conduct a site inspection to verify all work completed that is eligible for payment against the rehabilitation purchase order prior to the pathway changing.

Advance Approval Requirement

All Change Orders must be submitted to ORR and receive written approval prior to any work being performed. The Implementation Contractor and/or General Contractor shall not proceed with work associated with a Change Order until ORR approval has been received through the System of Record (SOR). Any work performed prior to ORR approval of the Change Order will be considered unauthorized and will be performed at the contractor's sole expense

6.10 Final Inspection

Once construction is completed the IC must complete and document a quality control inspection prior to the final inspection. The inspection must be uploaded to the System of Record. Projects must pass all required inspections from the authority having jurisdiction. Once the structure passes inspection, ORR will conduct a final inspection after the Certificate of Occupancy or its equivalent has been uploaded into the SOR.

During the final inspection, a representative from ORR will walk through the structure and confirm that all SOW items are complete and meet all Homeowner Recovery Program guidelines. If the final inspection fails, photos of all deficiencies and reasons for failure will be documented and entered into the SOR and the IC will be notified. Once all deficiencies are repaired and the

structure has been re-inspected and passed by ORR, all documentation will be uploaded into the SOR.

The IC will conduct the key turnover, authorizing the homeowner to move into the home. The key turnover is not complete until:

- The homeowner has received a magnet identifying the warranty phone number and expiration date;
- The final lien has been signed by the homeowner(s) and recorded; and
- The warranty package has been reviewed and completed with the homeowner.

6.11 Uncooperative Applicants

If a homeowner creates conditions that impede the GC's ability to accomplish the necessary SOW, then the GC will notify the IC who will inform the applicant of their obligation to vacate the job site and discontinue the impediments to construction progress. After the second notification of noncompliance by the IC, the IC will notify ORR, who will then inform the applicant that further noncompliance will result in the termination of the construction project, the revocation of the grant agreement, and removal from the program.

When the homeowner has been removed from the Homeowner Recovery Program, ORR will issue a letter and upload in the SOR. The case will be closed in the SOR. Any costs incurred on the project shall be invoiced against the open purchase order prior to the case closure.

6.12 Housing Quality Standards

The goal of the Homeowner Recovery Program is to provide safe, sanitary, and secure housing to eligible program participants. In order to serve as many people as possible, ORR has implemented requirements for basic Housing Quality Standards (HQS) (Appendix A). These standards serve as the minimum criteria for all projects.

6.13 Warranty Issues and Construction Complaints

All communications pertaining to warranty issues or construction complaints received will be documented by ORR in the System of Record (SOR) within three (3) days of receiving the issue. The IC or GC will be responsible for any costs incurred for warranty issue corrections. The warranty period commences the day the program final inspection passes and lasts for one year from that date.

Procedures:

- ORR will receive and document homeowner's warranty claim.
- The call will be logged in the appropriate case file in the SOR within three business days of receiving the initial call.
- The SOR will send an automated message that a warranty claim has been logged to the IC.
- The IC must acknowledge and validate the warranty claim in the SOR.
    - Claims confirmed to be invalid by ORR will be closed.
- The IC will contact the homeowner within two business days to confirm the issues and schedule corrective actions if necessary. The call must be documented in the SOR.

- The GC will correct the issue within 15 calendar days of the initial call or establish a timeline for resolution when 15 calendar days is not feasible. The IC will document the completion in the SOR by uploading the signed warranty verification form.

If the GC or IC believes that the issue has been addressed, but the homeowner has further concerns, the IC should forward the issue to ORR construction staff.

7.0 Reimbursement for Pre-Application Repair Costs

The Homeowner Recovery Program will allow for reimbursement of housing repair costs up to $125,000 incurred by eligible homeowners prior to January 21, 2027, or the completion of their application, whichever is earlier. Reimbursement awards are based on a Damage Repair Verification (DRV), provided by the Damage Assessor (DA) using Xactimate pricing software.

7.1 Reimbursement Eligibility

In addition to meeting the standard eligibility requirements of the Homeowner Recovery Program, applicants must:

- Certify, under penalty of perjury, that permanent repairs on the damaged residence were stopped prior to the Damage Assessment;
- Clear all environmental reviews; and
- Reside in a structure that has not been substantially damaged or improved, if located in the 100-year floodplain, unless the structure has been proven to have the lowest floor at or above base flood elevation plus two feet.

7.2 Allowable Expenses

Reimbursement is limited only to those repairs made to the primary residential structure and determined to be eligible by the Homeowner Recovery Program, as captured in the damage assessment's Damage Repair Verification Report (DRV), minus any Duplication of Benefits (DOB) received. Eligible repairs will be based on ORR approved Xactimate pricing. The eligible reimbursement amount may be less than the actual price paid by the applicant. For example, if an applicant replaced a countertop with granite, the DRV will price at builder-grade materials such as laminate.

The Homeowner Recovery Program recognizes that there may be circumstances when the applicant disputes the scope of the DRV and may file an appeal. Applicants who appeal the DRV determination may submit supporting documentation detailing the scope of work that was completed but not shown in the DRV. All reimbursable repairs must have been necessary and reasonable for the rehabilitation of the property.

Applicants may be eligible for reimbursement when either all the repair work to the damaged property has been completed or when some repairs have been completed and some repairs remain incomplete. Homeowners applying for reimbursement of housing repair costs under either option must stop work on the home prior to the Damage Assessment. Repairs completed after the Damage Assessment are not eligible for reimbursement. If the homeowner qualifies for rehabilitation and reimbursement, the reimbursement amount will be calculated upon completion of the program final inspection.

The Homeowner Recovery Program will not reimburse applicants who elect to repair their home after a damage assessment has been conducted, and a Damage Repair Verification has been completed. In these cases, the applicant may still be eligible for rehabilitation assistance, however, the repairs completed by the applicant may reduce the Duplication of Benefits (DOB) amount that the applicant is expected to contribute.

7.3 Reimbursement Options

Reimbursement and Rehabilitation

Applicants with an ECR and a potential reimbursement award may elect to waive the entirety of their Scope of Work (SOW) as identified in their ECR to receive a reimbursement-only award by completing the ECR and Pathway Waiver Request form. For those not waiving identified rehabilitation work, all Program identified rehabilitation scope must be completed before a reimbursement value can be determined. No applicant may receive reimbursement and rehabilitation, or a combo of the thereof, in an amount that exceeds the maximum award amount of $125,000.

The final reimbursement amount for applicants in the reimbursement and rehabilitation pathway will be determined upon completion of construction. Although the DRV amount that is assessed during the damage assessment provides a baseline estimate for eligible reimbursement, the final reimbursement award amount cannot be determined until construction is complete in the event that either the cost estimate or change order process results in an increase in construction costs above those that were captured in the initial ECR.

Reimbursement Only

Applicants who would prefer to receive only a reimbursement may choose to complete the ECR and Pathway Waiver Request form, acknowledging that the program is not responsible for any liability incurred as a result of unrepaired elements to the home as identified in the ECR scope. Applicants may only receive reimbursement for work that was done to a home damaged by the eligible presidentially declared disaster. Dwellings that have been replaced or reconstructed by the applicant are not eligible for reimbursement.

7.4 Damage Repair Verification (DRV)

As a result of the initial damage inspection, the Damage Assessor (DA) will produce the Damage Repair Verification (DRV), which estimates the amount of repairs previously completed to the home, and the Estimated Cost of Repair (ECR) for the amount of remaining repairs necessary to bring the home into compliance with the Homeowner Recovery Program standards.

All property improvements identified in the DRV and ECR are to address any building code violations, eliminate housing deficiencies that are not in conformance with decent, safe, and sanitary dwellings, and promote resiliency standards. The DRV is to be included in the Damage Assessor's report on the property and should contain a line-item estimate of the repairs completed. The calculation quantifies materials and labor necessary for completed repairs in the same manner that the ECR provides for repairs necessary for the rehabilitation of the property.

The DRV and ECR are based upon standard grade materials priced in accordance with ORR approved Xactimate pricing.

7.5 Damage Repair Verification Requirements

For inclusion in the DRV, repairs must be physically attached to the dwelling, permanent in nature, and in accordance with the Program's Housing Quality Standards (HQS) (Appendix A).

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

- Repair or replacement of detached structures such as carports, sheds, garages, swimming pools, pool enclosures, decks, or fences.

- Any repairs in excess of standard-grade materials. Repairs using materials greater than standard-grade are calculated for reimbursement consideration at the cost of the standard-grade material.
- Public sidewalks, driveways, roads, and streets.

8.0 Voluntary Buyout Pathway

Buyouts support hazard mitigation, floodplain management goals, and resiliency by purchasing homes in the floodplain, thereby removing homeowner exposure to future flooding. The Homeowner Recovery Program supports voluntary property acquisition from eligible homeowners residing within the Special Flood Hazard Area (SFHA) or Disaster Risk Reduction Areas (DRRA). Voluntary buyout provides applicants in the Homeowner Recovery Program with a resilience-focused alternative to rebuilding in high-risk areas and reducing long-term flood risk through strategic property buyouts. Throughout this section, the terms SFHA, floodplain, and DRRA are used interchangeably to refer to potential buyout areas.

The objectives of the buyout pathway include:

- Acquire residential properties that were subject to flooding during Hurricane Milton in areas within designated floodplains, for conversion to stormwater infrastructure, green space, and/or other flood control uses;
- Eliminate future flood damages and reduce risks to human health and safety for both property owners and emergency responders;
- Prevent continued investment in properties experiencing repetitive flood loss, thereby reducing the financial and emotional burden on homeowners;
- Return flood-prone properties to their natural and beneficial function, supporting the absorption and storage of stormwater during flood events;
- Reduce the long-term cost of disaster recovery by minimizing the need for repetitive subsidized flood insurance payments and federal disaster assistance.

After acquisition, all structures on the property will be demolished. The purchased land will be deed-restricted and will be restored to its natural floodplain function, converted into stormwater retention areas, or maintained as open green space, in accordance with applicable environmental and land use regulations.

Maximum Buyout Assistance Amount

ORR may use CDBG-DR funds to support the voluntary acquisition of properties identified through the program's application and eligibility review process. Under this program, eligible property owners may receive compensation equal to the pre-disaster fair market value of their property, as determined by an independent, certified appraiser. However, the maximum amount of CDBG-DR funding available for the purchase of any homesteaded property shall not exceed the appraised value, up to $450,000 excluding eligible incentives. Additionally, applicants may be eligible for incentives in accordance with the guidance below.

Available incentives may include:

- Moving incentive of $5,000;
- LMI incentive of $25,000; and
- Market adjustment incentive (if applicable)

8.1 Buyout Process Overview

1. **Application:**

Interested applicants will initiate participation by submitting an application for assistance to the Homeowner Recovery Program. As part of the intake process, required documentation will be collected to assess eligibility, including verification of income, ownership, and residency. If the applicant's disaster damaged home is located within the 100-year floodplain or DRRA, they may be notified of the opportunity to participate in the voluntary buyout pathway. Should the applicant elect to pursue the buyout option, the program will proceed with the applicable steps outlined herein. Applicants who decline participation in the buyout pathway or whose property will not be accepted by the jurisdiction having authority may still be considered for assistance under an alternative pathway within the Homeowner Recovery Program, subject to meeting all applicable eligibility requirements.

2. **Eligibility Determination and Duplication of Benefits:**

   The applicant's household income will be calculated and verified in accordance with program guidelines and applicable federal regulations. In accordance with the Stafford Act, ORR will conduct a thorough review of all assistance received by the applicant to identify any potential duplication of benefit. Additionally, an environmental review will be conducted to ensure compliance with all applicable environmental laws and regulations prior to the commitment of funds.

3. **Identify the entity responsible for maintaining ownership of property upon transfer of title:**

   The local government jurisdiction or authority will be contacted to determine if they will agree to own and maintain the applicant's land in perpetuity.

4. **Appraisal & offer analysis:**

   If the local jurisdiction or authority is willing to maintain the property in perpetuity, then the property will be appraised to determine both the pre-disaster and current fair market values. The case will be reviewed to calculate applicable incentives.

5. **Commitment & Purchase Contract**

   ORR will issue an offer letter, including a purchase contract to the homeowner. The applicant will acknowledge their acceptance of the offer by signing and returning the purchase contract to ORR. Once the purchase contract is fully executed by all parties, an award letter is issued, and the case will be assigned to a title company for a real estate closing.

6. **Real Estate Closing:**

   The homeowner will be notified of the anticipated closing date with the understanding the home will be vacated prior to the closing. The closing will not occur less than 30 days after offer acceptance unless scheduled sooner upon mutual agreement between the Program and the homeowner. Upon completion of the closing, funds will be transferred to the escrow account for distribution to all applicable parties.

7. **Demolition:**

   Once the property is acquired and all necessary documents have been signed, completed, and appropriately filed, existing structures, pavement, and impervious structures will be demolished.

8. **Closing & transfer to state/county/municipality:**

Upon completion of the demolition of all relevant structures, the title/deed will be transferred to the entity responsible for long term ownership. A deed restriction will be placed on the property to ensure no future development and allow only future uses consistent with green space, and/or flood control uses. The deed restriction will last in perpetuity.

Appraisal

All properties will be appraised for their pre-disaster and current fair market values (FMV) by a licensed independent appraiser and in conformity with the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Program at 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals.

- If pre-disaster appraisal exceeds the established maximum assistance limit as set by Volusia County, the applicant may receive more than the established limit. Such cases will be evaluated on a case-by-case basis by the Special Case Panel and a final determination made by the ORR Director.
- If the pre-disaster appraisal is below the established maximum assistance limit, the applicant will be offered the pre-disaster FMV. In instances where the applicant believes the appraisal is unjust, they may appeal to the Special Case Panel.
- The properties will be purchased at a pre-disaster FMV of the home, less any identified duplication of benefits.
- For purposes of determining pre-storm property value, all assisted properties will be appraised based on their value immediately prior to Hurricane Ian. However, if the current homeowner did not own the property at the time of Hurricane Ian and the property is being assisted solely for damage caused by Hurricane Milton, the property's pre-storm appraisal will be based on value immediately prior to Hurricane Milton.

Deed Restriction or Restrictive Covenant

Properties acquired through the buyout pathway must have a recorded deed restriction or restrictive covenant running with the property and require that the buyout property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include green space and/or flood control uses.

8.2 Buyout Award Considerations

8.2.1 Incentives

The purpose of an incentive is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the program. While housing incentives are allowable, they must be justified and reasonable.

Moving Expense Incentive:

To assist homeowners with relocating to a new home a moving incentive of $5,000 will be provided.

LMI Incentive:

Additionally, $25,000 will be offered to Low- to- Moderate Income (LMI) citizens. LMI citizens are classified as those who have an income of 80% or less of the Area Median Income (AMI).

Market Adjustment Incentive:

In the event that the current fair market value exceeds the pre-disaster fair market value, a market adjustment incentive equal to the difference between the two values will be provided. The market adjustment incentive combined with the pre-disaster appraised value cannot exceed $450,000.

8.2.2 Appraised Value Disputes

Applicants who disagree with the appraised value received by the Program will be allowed to submit a written request for reconsideration within 30 days of the offer letter. Applicants must include an independent appraisal dated within the 60 days of submission of their request. These requests will be reviewed by the Special Case Panel, and result in a recommendation of either approval or denial of the revised appraisal value. The result shall be provided to the ORR Director for acceptance or declination of the recommendation. This decision will be final, cannot be appealed, and is not subject to judicial review.

8.2.3 Applicants with Reverse Mortgage

The buyout pathway may assist applicants who have a reverse mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the reverse mortgage in its entirety. ORR reserves the right to review each applicant on a case-by-case basis in accordance with Special Case Panel procedures.

8.2.4 Applicants in Foreclosure and/or Bankruptcy

Applicants whose property is currently in foreclosure or who have filed for bankruptcy may not be provided buyout assistance.

9.0 Local Match Funds

The Homeowner Recovery Program may offer local match funds for state or federal housing mitigation programs or activities with a mandatory cost share requirement. Potential match applicants will indicate their interest in this pathway during application submission.

9.1 Match Eligibility

In addition to meeting the standard eligibility requirements of the Homeowner Recovery Program, applicants must have an approval letter for an eligible mitigation program

9.2 Match Commitment

After completion of a program signing event by the applicant, a letter of commitment will be sent to the jurisdiction executing the match project.

9.3 Match Funding

Funds may not be disbursed until the completion of the project and may be issued to the applicant or the jurisdiction for the benefit of the applicant.

10.0 Program-Wide Requirements

10.1 Action Plan and Policy Manual

The Action Plan defines how Volusia County will effectively use all available funding to support its Hurricane Milton recovery effort based on the calculation of need across the county. The Action Plan describes Volusia County's proposed use of HUD's CDBG-DR allocation by activity and lays out program design for each area of assistance, as well as identifying the beginning and end dates for each activity, and performance and expenditure schedules.

10.1.2 Amendments to the Action Plan

Volusia County will engage citizens throughout the life-cycle of the Homeowner Recovery Program to maximize the opportunity for input on program changes that result in a Substantial Amendment. Program changes result in a Substantial Amendment when there is:

- An addition or deletion of any allowable activity described in the approved application;
- An allocation or re-allocation of more than $20 million; and
- A change in planned program benefit or eligibility criteria.

Citizens will be provided with no less than thirty days to review and provide comment on proposed substantial amendments. A summary of all comments received will be included in the final Substantial Amendment submitted to HUD for approval. Final Substantial Amendments approved by HUD will be posted to the Disaster Recovery website.

For other non-substantial amendments, Volusia County shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the ORR website, not replacing, but in addition to all previous versions of the plan.

10.1.3 Amendments to the Policy Manual

This manual contains the policies and procedures related to the Homeowner Recovery Program. HUD requires that each CDBG-DR grantee adopt and follow written policies and procedures throughout the life of their program. As the Homeowner Recovery Program evolves, the applicable policies and procedures may be amended. Each amendment will be clearly outlined within this manual to include the substance of the amendment and the date for which the amendment occurred. The updated policy manual will replace the existing manual on the Transform386.org website.

10.2 Procurement

Volusia County's Office of Recovery and Resiliency will adhere to the county's Purchasing and Contracts' Procedures Manual, which are fully in compliance with the procurement standards of 2 CFR 200.318-327. Volusia County's Purchasing and Contracts Division will oversee all competitive procurements and coordinate with the Office of Recovery and Resiliency to ensure that procurements are conducted in manner consistent with the principles of full and open competition.

10.3 Communication Standards

All communication (in person and via telephone, text, and emails) with applicants must be professional and pleasant. Any communication with elected officials, the media, and/or attorneys should be directed to the applicable supervisor.

All direct communication related to a case must be logged into the System of Record (SOR) throughout the life of the project. All entries should include appropriate language, describe the nature of the communication and the outcome of the communication. Communication log entries shall be constrained to the facts surrounding the communication.

If an applicant is rude, vulgar, or offensive on the telephone or in-person, ORR staff is not obligated to continue the conversation. If the applicant is present, ORR staff should notify the appropriate supervisor immediately to defuse the incident. If the applicant is on the telephone, ORR staff should inform the client that such behavior may result in the end of the call if continued. ORR staff will notate the incident in the SOR and immediately notify their supervisor.

All communication with or inquiries from elected officials, the media, or attorneys must be referred to the ORR Director. No contractor or sub-contractor personnel may make public statements about the Homeowner Recovery Program without first coordinating and clearing such communication with the ORR Director.

10.3.1 Critical Information Requirements

Both the Implementation Contractor (IC) and the General Contractor (GC) will notify ORR within two (2) hours if any of the following critical events occur:

- Any injury associated with the Homeowner Recovery Program resulting in the immediate movement to a hospital or clinic for further treatment;
- Any vehicle wreck associated with the Homeowner Recovery Program resulting in or which may result in a delay in contractual performance;
- Viable evidence that a citizen has attempted or completed fraud against the Homeowner Recovery Program;
- Any citizen fraud complaint lodged against Volusia County, the IC, the GC or sub-contractors associated with the Homeowner Recovery Program;
- Any non-routine inspection conducted by any entity regarding the Homeowner Recovery Program;
- Any complaint by any person regarding harassment or discriminatory conduct regarding any aspect of the operation of the Homeowner Recovery Program;
- Any allegation that the IC, the GC, or sub-contractors have committed a crime while performing their work;
- Any loss or potential loss of citizen Personally Identifiable Information (PII) in any form to include the loss of a computer containing PII, or the loss or compromise of a paper or electronic communication containing PII;
- Any threat of legal action by a citizen against any contractor or Volusia County in which the threat relates to any aspect of the Homeowner Recovery Program;
- Information that an applicant is living in deplorable conditions;

- Any home turned over to a client by a GC prior to a required final inspection;
- Any instance in which a sub-contractor places a mechanic's lien on an applicant's home; or
- Any suspected or confirmed communicable health hazards associated with the Homeowner Recovery Program that in any way that poses a risk to other individuals working in the Program.

10.3.2 Case Management Support

Applicants may need support throughout the process. Applying to the Homeowner Recovery Program may be complicated by the loss of documents or temporary residence outside of the area. ORR will establish and maintain partnerships with legal services and title companies, etc. to assist applicants with the application process. Project Coordinators will work in collaboration with other agencies to assist owners and displaced persons from inception to close-out. Each applicant will be assigned a Project Coordinator as a single point of contact to work with throughout the eligibility process. As applications are being accepted and reviewed for determinations of eligibility for assistance, each applicant will be advised and made aware of their application status.

10.4 Due Diligence for Communication with Applicants

The Homeowner Recovery Program will follow a due diligence process to contact applicants to resolve issues.

Due Diligence Process:

- The Homeowner Recovery Program will record three (3) contact attempts utilizing two (2) contact methods in the system of record (SOR).
- If contact has not been made with the applicant, the SOR application status will be updated, and a notification letter will be mailed and/or emailed. The notification letter will be uploaded into the SOR.
- If applicant has not completed the notification action within the applicable days, the applicant's application status will be updated in the SOR to closed, and a confirmation letter will be issued. The confirmation letter will be uploaded into the SOR.

Cases may moved to inactive or closed status for any of the following reasons:

- Non-responsive
- Pending Action
- Withdrawal
- Ineligibility
- DOB Gap

Missing Documentation

Applicants must submit all required documentation for their application to be complete. Only after all documentation has been received by ORR, can an application be processed to completion and a final income eligibility determination to be made. Applicants must submit all requested documentation before the intake process is complete.

Voluntary Withdrawal

An applicant may request to withdraw from the Homeowner Recovery Program at any time.

10.5 Applicant Concerns, Requests, or Suggestions

Citizens may submit a written concern, request, or suggestions to the Homeowner Recovery Program by sending an email to transform386@volusia.org or submit by postal mail to the following address:

1578 North Woodland Boulevard
DeLand, Florida 32720

ORR will make every effort to provide a timely written response upon receipt of a citizen's petition, usually within fifteen (15) business days, as expected by HUD, where practicable. If a citizen is not satisfied by the response, the citizen may file a written appeal by following the instructions contained within the letter of response. If at the conclusion of the appeals process the citizen has not been satisfied with the response, a formal complaint may then be sent directly to the regional Department of Housing and Urban Development (HUD) at:

U. S. Department of Housing and Urban Development
Charles E. Bennett Federal Building
400 West Bay Street, Suite 1015
Jacksonville, Florida 32202

Demonstrable Hardship

The Homeowner Recovery Program may consider exceptions to various policies for applicants who demonstrate undue hardship. A demonstrable hardship may include but is not limited to, the following: prolonged job loss, substantial reduction to household income, death of a family member, unexpected and extraordinary medical bills, a disability, etc. Requests for an exception to Homeowner Recovery Program based on an undue hardship will be evaluated by the Special Case Panel.

10.6 Uniform Relocation Act

In part, the Uniform Relocation Act (URA) was passed by Congress in 1970, as amended, to ensure homeowners whose real property was acquired for Federal and federally-assisted projects were treated fairly and consistently, and to ensure persons displaced as a result of such projects do not suffer disproportionate injuries. As such, relocation assistance is provided to displaced persons, including tenants who were living in a property at the time of the Disaster, to lessen the financial impact of displacement and to ensure individuals/families are living in decent, safe, and sanitary housing.

As required by Federal Register, 88 FR 32046 (2023), Volusia County must describe how it shall minimize the displacement of tenants and assist any tenants that may or have been displaced. Thus, the purpose of this policy is to establish policies and procedures to identify tenants whose primary residence, prior or post the Disaster, was or is in a property that is to receive benefit from the Homeowner Recovery Program to document those tenants, and to ensure outreach has been made to tenants to safeguard the ideals and requirements of URA.

Key Definitions:

- Comparable Replacement Dwelling – a functionally equivalent dwelling that performs the same function and utility and has the principal features of the previous dwelling. However, it does not have to possess every feature of the displacement dwelling.[2]
- Disaster – the eligible presidentially-declared disaster for which assistance is contemplated.
- Displaced Person[3] – any person who moves from real property or moves his or her personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a project. A person is not considered displaced if any of the following conditions apply:
    a. Homeowners and their immediate household members who voluntarily participate in Volusia County recovery programs.
    b. A person moves before the start of rehabilitation unless Volusia County determines that the person was displaced as a direct result of the project.
    c. A person who initially begins to occupy the property after the date of its rehabilitation for the project.
    d. A person who has occupied the property to obtain assistance under URA.
    e. A person who is not required to relocate permanently as a direct result of a project.
    f. A person who, after receiving a notice of relocation eligibility, is notified in writing that he or she will not be displaced for a project.
    g. A person who retains the right of use and occupancy of the real property for life following its rehabilitation by Volusia County.
    h. A person who is determined to be in unlawful occupancy prior to or after the start of rehabilitation, or a person who has been evicted for cause, under applicable law.
    i. A person who is not lawfully present in the United States.
    j. Tenants are required to move as a result of the sale of their property to a person using down payment assistance provided by a federally funded program for down payment assistance.
- Property – includes a residential dwelling that includes a single-family home, condominium, duplex, mobile home, or any place where a person dwells that is connected to utilities.[4]
- Rehabilitation – The repair, replacement, or reconstruction of an owner-occupied housing unit through the Transform386 Homeowner Recovery Program.
- Tenant – a renter who pays fair market rent and obtained the rental/lease as a result of an arm's length transaction, therefore both parties entered the agreement willingly and without force or pressure from either party.

Applicable Laws and Regulations

24 CFR 570.606 and 49 CFR part 24 - The specific Codes of Federal Regulations for Community Planning and Development Programs, and Community Development Block Grants, which are applicable to this policy.

Procedures to Identify & Document Tenants in Single-Family Households

[2] 49 CFR 24.2(a)(6)
[3] 49 CFR 24.2(a)(9)
[4] See 49 CFR 24.503 for additional information regarding mobile homes

Potential applicability of URA will be identified during the eligibility review, during which time the applicant will be asked to disclose all necessary tenant information.

If the applicant did have a tenant in the property, the program will contact the tenant to confirm the date of their residence on the property and collect supporting documentation such a lease/rental agreement. The program will keep a detailed record of all communication and store any collected documentation in the system of record. Without regard to race, color, religion, sex, age, handicap, familial status, or national origin, and in accordance to 49 CFR Part 24, Volusia County must offer the following services and/or provide applicable reimbursements, where the tenant has already obtained one or more of the following:

- General Information Notice. As soon as feasible upon completion of the signing of the grant agreement for assistance, the tenant must receive a written description of the relocation program and his or her rights. The notice must inform the tenant of the following:
    a. He or she may be displaced for the project and generally describe the relocation payment(s) for which the tenant may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s).
    b. He or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the tenant successfully relocate.
    c. He or she will not be required to move without at least 90 days advance written notice;
    d. Any tenant cannot be required to move permanently unless at least one comparable replacement dwelling has been made available.
    e. Any tenant who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child.
    f. Describes the tenant's right to appeal Volusia County's determination as to a tenant's application for assistance for which a tenant may be eligible under this part.
- Eligibility & 90-day Notice. Eligibility for relocation assistance shall begin on the date of actual rehabilitation, defined herein as the pre-construction meeting, which triggers vacancy of the home. After the project coordinator has contacted the identified tenant and confirmed the tenant's occupancy of part of the property, Volusia County shall then promptly notify the Tenant in writing of their eligibility for applicable relocation assistance.
    a. No lawful occupant shall be required to move unless he or she has received at least 90 days advance written notice of the earliest date by which he or she may be required to move.
    b. The 90-day notice shall either state a specific date as the earliest date by which the occupant may be required to move. If the 90-day notice is issued before a comparable replacement dwelling is made available, the notice must state clearly that the occupant will not have to move earlier than 90 days after such a dwelling is made available. – In unusual circumstances, an occupant may be required to vacate the property on less than 90 days advance written notice if Volusia County determines that a 90-day notice is impracticable, such as when the person's continued occupancy of the property would constitute a substantial danger to health or safety.
- Advisory services. A tenant must be advised of his or her rights under URA and the Federal Fair Housing Act, the general scope of the recovery project, and provided with

comparable replacement dwelling, in addition to financial forms of assistance listed below, where applicable.

a. No tenant to be displaced shall be required to move from his or her dwelling unless at least one comparable replacement dwelling has been made available to the person. When possible, Volusia County will provide the tenant with at least three comparable options.

   - The comparable replacement dwelling is considered made available when:

     1. The tenant is informed of its location;
     2. The tenant has sufficient time to negotiate and enter into a purchase agreement or lease for the property; and
     3. Subject to reasonable safeguards, the tenant is assured of receiving the relocation assistance to which the tenant is entitled, with sufficient time to complete the purchase or lease of the property.

b. If the comparable replacement dwelling to be provided to a minority tenant is located in an area of minority concentration, the minority tenant must also be given, if possible, referrals to comparable and suitable decent, safe, and sanitary replacement dwellings not located in such areas.

- Forms of Assistance – All claims for relocation payment must be filed with Volusia County no later than 18 months after the date of displacement.[5]

All requests for reimbursements or relocation payments shall be supported by reasonable documentation to support expenses, such as bills, certified prices, appraisals, or other evidence of expenses. Each request will be reviewed expeditiously, and Volusia County will promptly inform the tenant of any additional documentation that is required.

All records will be kept confidential, and reports will be submitted related to its displacement activities as requested by Volusia County and/or HUD.

- Moving expenses. Volusia County shall provide payment for moving expenses. Volusia County shall create a moving expense allowance under a schedule of allowances that is reasonable for Volusia County and considers the number of rooms in the displacement dwelling, whether the tenant owns and must move furniture etc.
- Security deposits and credit checks. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit.

   - Interim living costs. Volusia County shall reimburse a tenant for actual reasonable out-of-pocket costs incurred in connection with a displacement, including moving expenses and increased housing costs, if the tenant must relocate temporarily because continued occupancy of the property constitutes a substantial danger to the health or safety of the person or the public; or

1. Replacement housing assistance. A tenant displaced from a dwelling is entitled to a payment not to exceed $9,570 for rental assistance or down payment assistance, if the tenant:

[5] 49 CFR 24.207(d)

- Actually, and lawfully occupied the displacement dwelling for at the time of the Disaster or at least 90 days immediately prior to the start of rehabilitation; and
- Rented and occupied a decent, safe, and sanitary replacement dwelling within 1 year after the date he or she moves from the displaced property.
- Rental Assistance: An eligible applicant who rents a replacement property is entitled to a payment not to exceed $9,570 The payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:
    1. The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
    2. The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the tenant.
    3. The base monthly rental is the lesser of the average monthly cost for rent and utilities at the new Property or 30% of the tenant's average monthly gross household income if you are low-income based on the HUD income limits.
        - That total monthly need, if any, is multiplied by 42, to determine the total amount the tenant will receive. This amount will be paid directly to the tenant in monthly installments or periodic payments.

        All or a portion of this assistance may be offered through a certificate or voucher for rental assistance (if available) provided under Section 8. If a Section 8 certificate or voucher is provided to a tenant, Volusia County must provide referrals to comparable replacement dwelling units where the owner is willing to participate in Section 8 Tenant-Based Assistance Existing Housing Program. When provided, cash assistance will generally be in installments, in accordance with 42 U.S.C. 3537c.
    4. Down payment Assistance. If the tenant decides to purchase a replacement property, the tenant is able to receive assistance to make a down payment equal to the amount he or she would receive if they rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home), which can be no greater than $9,570. Down payment assistance payment will be paid in a lump sum.

5. Duration of Assistance. Temporarily relocation cannot exceed 12 months. If temporary relocation need is anticipated to exceed 12 months, tenants will be given the following options:
    a. Tenants may be given the opportunity to choose to continue to remain temporarily relocated for an agreed-to period (based on new information about when they can return to the displacement unit),
    b. Choose to permanently relocate to the unit which has been their temporary unit, and/or
    c. Choose to permanently relocate elsewhere with Uniform Act assistance.
6. Termination of Assistance: For rehabilitation projects with tenants eligible for relocation assistance, the program will provide a Move-In Notice upon completion of construction activities. The Move-In Notice will provide details on the date on which the tenant is eligible

to return to assisted housing unit. This notice will serve as the termination of relocation assistance for the applicable tenant(s).

10.7 Environmental Criteria and Standards

An environmental review required when federal funds may be used for a project. An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it complies with the National Environmental Policy Act (NEPA) and related laws and authorities. All HUD-assisted projects are required to undergo an environmental review to evaluate environmental impacts. The analysis includes both how the project can affect the environment and how the environment can affect the project, site, and end users.

An environmental review must be performed before any funds, regardless of source, are committed to a project.

Per 24 CFR 58.30 the environmental review process consists of all the actions that a responsible entity must take to determine compliance and should begin as soon as a recipient determines the projected use of funds.

Documentation of the environmental review will be maintained in an environmental review record. This record contains the description of all activities that are part of the project and an evaluation of the effects of the project on the human environment and vice versa.

ORR will follow all applicable Environmental regulations under 24 CFR Part 58 for any project assisted under this program.

10.8 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

The ORR will generally follow the Volusia County procurement policy unless it is in direct conflict with federal requirements, in which case ORR will comply with the more stringent requirement.

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.

10.9 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 activities[6].

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. The IC must forward contact information for any potential contractors to ORR for clearance. Clearance must be received before assigning work to the contractor.

10.10 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 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 Homeowner Recovery 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 family members, friends, and known associates. 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

[6] 2 CFR 200.318(h) and 2 CFR 200.213

prior relationship poses a potential conflict of interest, they should request guidance from their supervisor.

10.11 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. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goal was not feasible.

10.12 Fair Housing

During the operations of the Homeowner Recovery 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.
- 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.

11.0 Quality Control and Compliance

11.1 Internal Audit

Internal Auditor is independent of ORR and reports directly to the County Manager. Internal Auditor 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 Auditor 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 Homeowner Recovery 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 Auditor will report the number of cases reviewed to the ORR Director and the APM for Policy and Compliance as a metric of Internal Audit progress. Internal Auditor reports any issues identified through monitoring activity to ORR to facilitate expeditious corrections.

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

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.

11.2 Complaints

ORR staff is responsible for responding to complaints in a timely and professional manner. ORR will keep a record of each complaint 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 applicable ORR staff will respond to the complainant within fifteen (15) business days where practicable.

11.3 Appeals

An appeal 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. Appeals may be submitted within thirty (30) calendar days from the date of the applicable determination letter. Alternatively, an appeal may be submitted within seven (7) calendar days of the applicant interest notification and/or contract signing event. When an appeal is received, the applicable ORR staff will respond to the applicant within ten (10) business days where practicable. If an applicant disagrees with the initial appeal determination, a secondary appeal may be made and presented to Special Case Panel (SCP) for a decision.

11.4 Special Case Panel

ORR may review and respond to concerns, suggestions, requests, and other issues that warrant consideration pertaining to the Homeowner Recovery 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 Finance and Administration Manager will serve as the SCP chair and present decision memorandums to the ORR Director for final approval. Once a decision memorandum is signed by the ORR Director, it will be uploaded to the System of Record.

Throughout the life of the Homeowner Recovery 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 Homeowner Recovery Program 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.

11.5 Compliance and Monitoring

The ORR utilizes risk-based programmatic monitoring of the activities conducted throughout the process of implementing the Homeowner Recovery Program. Monitoring activities involve a direct review of the actions taken by ORR staff, 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. 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. Monitoring will occur during actual construction and final inspection activities.
    b. Selection of cases will be based upon the open projects currently under construction and ORR staff availability.
3. Prior to signing of the grant agreement and prior to individual case closeout, the APM for Policy and Compliance or their designee will conduct a review and record the findings in the System of Record.

11.6 Violation of Requirements and Recapture

The homeowner/applicant will sign a forgivable lien for owner occupied properties at the Contract Signing Event. The lien has provisions by which non-compliance by the homeowner may result in the amount of assistance provided by ORR being due and payable back to ORR. If the assisted person violates the terms of the Homeowner Recovery Program, they may owe back to ORR the amount of assistance provided to them. If the awardee violates a specific term within the lien or if there is a non-compliant act outside of the lien and ORR determines that recapture of funds is appropriate, ORR will:

- Confer with the homeowner to determine if they can voluntarily cure the non-compliance; or
- Provide written notice to the homeowner 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 may petition the Special Case Panel to review any extenuating circumstances that they believe should grant them relief from the requirements of the lien. 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.

Noncompliance and Opportunity to Cure

Homeowners must comply with all applicable program requirements and the terms of their executed Program Agreement and recorded lien, including any requirements to maintain primary residency, a Homestead Exemption, and required insurance. If the County identifies noncompliance, it will issue a written notice describing the violation, the applicable requirement, the corrective action needed, and the deadline to respond. The homeowner will have thirty (30) calendar days from the date of the notice to cure the violation and provide supporting documentation, dispute the finding with supporting evidence, or obtain the County's written approval of a corrective action plan with a specified completion deadline. Contacting the County alone does not constitute a cure. Failure to resolve the violation within the required timeframe or comply with an approved corrective action plan may result in termination of assistance, a determination of default, repayment of assistance, or enforcement of the recorded lien, as applicable under the Program Agreement, lien terms, and program appeal procedures.

12. Closeout

Case Closeout

All Homeowner Recovery Program application files must be properly closed. For those cases with construction activities, the file cannot be closed until 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;
- 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 lien 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.

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 Homeowner Recovery Program is ready for closeout when all CDBG-DR funds were expended on eligible activities and met a national objective.

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 a minimum 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.