

# 2008 Disaster Recovery Initiative (DRI) Program

## Questions & Answers (Q&A's)

All recovery activities must meet one of the CDBG National Objectives and have documented proof showing the damage was a direct result of the 2008 wildfire disasters. All work must comply with all Federal overlay requirements, such as NEPA, Davis-Bacon Prevailing Wage, Procurement, Section 3, MBE/WBE, Fair Housing/Equal Opportunity, etc.

### Housing Related Activities Questions

**Q. Septic tank repair/installation** – various septic tanks need repairs or replacement as a result of the 2008 wildfires. This activity would include inspection and repair or replacement as necessary.

A. Presumed eligible - with appropriate supporting documentation.

**Q. Permit fees for housing rehabilitation** – these fees would be for past work and work anticipated through the housing rehab activity. While people were working toward rebuilding after the fires the Board of Supervisors agreed to waive permit fees. This activity would re-coup these funds plus pay for new permit fees for new rehab projects.

A. **Potentially eligible** – difficulty in confirming that DRI funds will be used solely for the benefit of low-mod households could present significant challenges – however – recapture/reimbursement of these fees may be deemed eligible if 1) very well documented cause of damage, 2) all beneficiaries of the new permit fee waivers are low-mod income qualified, and 3) the waiver of new permit fees is included as part of an actual rehab program/project (an “enhanced cost” of the rehab of a disaster-affected property).

**Q. Permit fees and inspections for effected homes that completed rehabilitation work without permits** – it is possible that work has been done on homes without appropriate inspections and permits. This activity would encourage such homeowners to have their homes inspected, obtain the necessary permits, and if additional rehabilitation is necessary, complete the rehab through this program.

A. Presumed eligible - with appropriate supporting documentation as described above, i.e., must evidence that the fees waived were for properties that were damaged as a result of a 2008 wildfire, and that the homeowners meet income eligibility requirements.

**Q. Reimbursement of insurance deductibles** – with proper documentation, this activity would reimburse individuals who repaired their homes the amount of their insurance policy deductibles that were not paid by the insurance companies.

A. Presumed eligible, with appropriate supporting documentation. Refer to documentation requirements to insure no duplication of benefits – pages 12-13 of 2008 DRI NOFA.

**Q. Solar installation** - Would solar installation be allowable if the home that was damaged or lost was off-the-grid prior to the fires? - this activity would pay for solar installation as the preferred source of power for those homes that are being repaired or rebuilt that were off-the-grid prior to the fires.

A. Presumed eligible - with appropriate supporting documentation. Installing a new solar system to replace flammable fuel systems (propane and/or gas generators) would reduce the risk of future fire damage and also provide “green energy” resources. This would be considered a “forward thinking strategy” in the rehab of the property, and an eligible cost.

**Q. Installation of manufactured housing** – over 200 homes were lost as a result of the fire devastation. This activity would fund the purchase and installation of 800 square foot cottages (manufactured homes, not mobile homes) similar to those used for the areas devastated by Hurricane Katrina.

A. Presumed eligible under Housing Rehabilitation – with appropriate supporting documentation. CDBG requires “like-for-like” housing replacement in its guidelines, and this requirement must be maintained – mobile homes may not be replaced with stick-built or modular homes. As always, evidence that damage/loss was direct result of 2008 wildfire, and, all displaced homeowners (households) must be income qualified.

**Q. What documentation is necessary in order to reimburse for insurance deductibles that were paid to home owners?**

A. DRI applications proposing individual assistance activities such as, but not limited to, relocation, buyouts, housing rehabilitation, insurance deductible reimbursements, and homeownership assistance must include a set of program guidelines which describe how the funds will be provided to households and how each beneficiary will be qualified for assistance. This process must include income qualification as well as the use of a “household certification” with supporting documentation confirming that no other funds were used to pay for the activity being paid for with DRI funds, and including a subrogation clause that any pending or future disaster recovery benefits received will be applied to repay DRI grants or loans. In addition, jurisdictions will be required to submit an additional (activity specific) “Statement of Assurance” acknowledging responsibility of these program requirements.

## **Public Improvement Related Activities Questions**

**Q. Well repair** – various wells were damaged as a result of the fire. This activity would include inspection and repair as necessary.

A. Presumed eligible - with appropriate supporting documentation. NOTE: This is for wells that provide water to an entire community/neighborhood. For well repair/replacement serving an individual home or property, it would be considered a housing rehab activity and the homeowner would need to be income-qualified.

**Q. Roadway improvements** – This activity would pay for the reconstruction of a public roadway damaged in several locations due to heavy use of fire suppression equipment during the fires and truck traffic during the recovery stage transporting new mobile homes and building material into the area.

A. Presumed eligible - with appropriate supporting documentation.

**Q. Question regarding roadway repairs** - Concow Road is the only road into the Concow area. This road was badly damaged during the disaster and the recovery period since the disaster. One activity the County is considering is reconstruction of this roadway. However, there exists a curve on the road that is unsafe for large vehicles. There is right-of-way in place to straighten out the curve and make it safer not only for the traveling public, but for the fire and safety vehicles to get to the Concow area in a safe and timely manner. If

the reconstruction of Concow Road becomes one of the County's activities, would we have to reconstruct the road to the same configuration, or could we utilize the DRI funds to do the engineering, environmental review, and modification to the roadway to eliminate this curve?

A. Presumed eligible - with appropriate supporting documentation. The situation as presented appears eligible (disaster-related) and also includes a forward-thinking mitigation component (elimination of curve to improve evacuation routes as well as access of emergency vehicles). NOTE: Supporting (third party) documentation (studies, analysis, reports) will be required to support recommendations and substantiate the need to incorporate such forward thinking strategies (i.e., straightening the road was a recommendation in the Fire Dept's report after the 2008 fires). For clarification in completing the application for this (or similar proposed activities), the road repair (in this case) would be shown under Activity #1 (rehab/repair of road), then additional costs of straightening the road to facilitate future evacuation and firefighting efforts would be shown under Activity #2 (an enhanced mitigation activity to improve safety and access of emergency vehicles).

## **Public Service Related Activities Questions**

**Q. Code Enforcement** – after the fire events, the County's Development Services Department provided integrated clean-up/abatement efforts. This activity would reimburse the costs related to these efforts.

A. Presumed eligible - with appropriate documentation. In addition to qualifying as eligible under one of the CDBG National Objectives, applicants must also be able to clearly document that these types of activities were specific to a 2008 wildfire disaster, and that costs ran over and above salaries and/or other expenses normally associated within the scope and responsibilities of these positions – best submitted for consideration as a Public Service activity.

## **Economic Development Related Activities Questions**

**Q. Business assistance** - reconstruction of damaged business facilities and/or replacement of stock and operation materials.

A. Presumed eligible - with appropriate supporting documentation - submit as Economic Development activity.

**Q. Business Assistance – Loans or Grants?**

A. Grants will not be allowed for Economic Development (ED) activities. Underwriting will be required to confirm an ability to repay a loan, jobs are being saved or created, and provide evidence that the business will be around after being assisted. This position also ensures no business is "unduly enriched" through the use of CDBG/DRI funds.

## **Planning Related Activities Questions**

**Q. Codes and building standards** – reimbursement for cost to update codes and develop new standards.

A. Presumed eligible - with appropriate supporting documentation.

**Q. General Plan – Safety Element** – we are in process of completing our 2030 General Plan. Can we apply for reimbursement of prior costs as well as costs yet to be incurred related to the development of our Safety Element.

A. **Partially eligible** - DRI funds may NOT be applied to costs incurred prior to the date of the disaster, however, funds may be considered for specific disaster mitigation-related planning expenditures after this date.

**Q. General Plan - Safety Element - Environmental Impact Report (EIR)** – reimbursement of prior costs as well as costs yet to be incurred to complete an EIR.

A. **Partially eligible** – DRI funds may NOT be applied to costs incurred prior to the date of the disaster. Furthermore, DRI funds may NOT be used to pay for the entire cost of an EIR, since the EIR is a required component of many of the Elements of a General Plan. However, we may consider costs that can be clearly documented as specifically supporting the other disaster mitigation-related expenses, that is, to prorate the portion of the EIR that specifically supports the Safety Element of the General Plan.

**Q. Update of Local Hazard mitigation Plan (LHMP).**

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Update of Community Wildfire Protection Plan (CWPP)** – annual update to area-wide plan that provides wildfire protection planning, collaboration, and the setting of project priorities amongst stakeholders.

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Area specific evacuation plan** – development of an evacuation plan for 2008 wildfire-stricken areas.

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Water source identification signage and mapping** – development of essential mapping and marking of water sources within the 2008 wildfire effected area.

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Zoning Code Update** – the County is currently working on an update to its Zoning Code. Would the DRI funds cover the costs associated with updating zoning items related to fire hazards?

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Code Enforcement** (Planning) – the County does not have a specific program for how to deal with code enforcement after a disaster. This activity would pay for the development of such a program.

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Fire Safe Council** – development of area-wide hazard response strategy.

A. Presumed eligible - with appropriate supporting documentation – submit under Planning Grants.

**Q. Standards for composting toilets** - reimbursement to the county's Environmental Health Department for costs to develop standards for composting toilets. These standards were deemed necessary after the fire events.

A. **Potentially eligible** – with appropriate supporting documentation and ability to develop a satisfactory final product (report).

## **Miscellaneous DRI Related Questions**

**Q. Do Activity #2 items (forward-thinking strategies, mitigation enhancements, etc.) need to meet the TIG benefit rule of serving a minimum of 51% Target Income Group?**

A. Eligible mitigation activities listed within Activity #2 in the NOFA (for example IMMs) combined with Activity #1 activities (for instance rehab, reconstruction, etc.) all need to meet one of the CDBG National Objectives (most presumably Low-Mod Income) and be appropriately documented – with the exception of Planning-Only activities. By special waiver from HUD, planning activities are presumed to meet the National Objective for Low-Mod Income beneficiaries.

**Q. If our grant request is approved, what is the timeline to receive the funds for reimbursement activities?**

A. DRI award announcements are anticipated in October of 2010. Standard Agreements (Contracts) will require approximately 90 days (start to execution), then draw-down of grant funds may begin as soon as all Special Conditions (federal overlay requirements such as NEPA, Davis-Bacon, Procurement, etc.) are cleared and a formal Clearance of Special Conditions letter and/or Authority to Use Grant Funds (HUD Form 7015.16) is issued by the Department.

**Q. Reimbursement for previously completed 2008 wildfire disaster related projects** - Installation of guard rails and roadway signs – State only paid for 75% of the costs to rebuild guard rails and signs that were damaged in the fire. This activity would reimburse the County the remaining 25% that was paid with local road funds.

A. Potentially eligible with appropriate supporting documentation. **Caution** - DRI funds may not be used for reimbursement of matching funds required through other federal funding sources. In addition, reimbursement of costs associated with a 2008 wildfire disaster related project will still require one of the National Objectives is met, and, because DRI is a federal funding source, all federal overlays will be required. Additional Considerations – did the completed project originally follow federal overlay requirements such as NEPA, Procurement, Davis-Bacon, etc.? Can the applicant go back to insure all federal overlay requirements were (or may still be) met on these projects? (NOTE: The answer to the last question is – MAYBE. It may be possible to meet federal overlay requirements even when projects were not required to have done so initially. These potential DRI eligible projects must be reviewed very closely so applicants should submit any potential projects via e-mail ([dri@hcd.ca.gov](mailto:dri@hcd.ca.gov)), or, contact their CDBG rep to discuss.)

**Q. Private vehicle replacement** – both homeowners and business owners lost vehicles in the fire. This activity would reimburse the vehicle owner for their loss or their insurance deductible if the vehicle was replaced.

A. **Not Eligible** - DRI funds cannot be used for reimbursement for loss of personal property.

**Q. Re-seeding, Re-planting, and Erosion Control** – reimbursement to the Fire Safe Council for costs incurred related to these items.

A. **Not Eligible** - DRI funds cannot be used for mitigation only. Mitigation in-and-of itself is NOT an eligible DRI activity.

**Q. Reforestation and debris removal** – many trees were burned or cut down during the fires. This activity would clear debris left on both public and private property and work to provide reforestation of the area.

A. Partially Eligible – Removal of debris still remaining from the 2008 fires is an eligible activity.

**Not Eligible** - DRI funds cannot be used for mitigation-only activities such as reforestation. Mitigation in-and-of itself is NOT an eligible DRI activity. Contact the Department if you think your project would involve erosion control or re-seeding or re-forestation as part of an eligible rehab activity.

**Q. How do I determine maximum grant limit?**

A. See example analysis on as follows:

## Proposed 2008 DRI Application - Grant Amount Request (Limit) & TIG% Analysis

	Activity Delivery	Activity	Total
Public Infrastructure	\$59,200	\$680,800	\$740,000
Housing Rehabilitation	\$389,500	\$1,660,500	\$2,050,000
Planning	\$12,000	\$138,000	\$150,000
<b>Totals</b>	<b>\$460,700</b>	<b>\$2,479,300</b>	<b>\$2,940,000</b>
General Admin (Max.2%)			\$60,000
<b>Total Grant Request</b>			<b>\$3,000,000</b>

	% TIG Served	% of Total Grant Amt.	Weighted TIG%
Public Infrastructure	64%	24.66%	15.78%
Housing Rehabilitation	100%	68.33%	68.33%
Planning	100%	5%	5%
<b>Total Application TIG%</b>			<b>89.11%*</b>

### Maximum total award limits:

Up to **\$1,000,000** if Low-Mod Beneficiaries represent at least **51% to 70%**

Up to **\$3,000,000** if Low-Mod Beneficiaries represent at least **71% to 90%**

Up to **\$5,000,000** if Low-Mod Beneficiaries represent at least **91% to 100%**

**\* A (weighted) total 89.11% TIG would allow this jurisdiction to apply for up to \$3,000,000**

For more information or if you have additional questions regarding eligibility, please contact the DRI program at [DRI@hcd.ca.gov](mailto:DRI@hcd.ca.gov).