



## ReCoverCA 2021 Single Family Mitigation Retrofits Program

### Policies and Procedures

**Version: V2.0**

#### Overview

**Subject:** ReCoverCA Housing Programs - Single Family Mitigation  
Community Development Block Grant - Disaster Recovery (CDBG-DR)

**Overview:**

1. Purpose: To establish the policies and procedures for the administration of the 2021 Single Family Mitigation Retrofits Program.
2. Applies to: All HCD employees, individuals and organizations representing HCD while administering the 2021 Single Family Mitigation Retrofits Program and all applicants of the Program.
3. Replaces: Version 1.0
4. Originator: ReCoverCA Housing Programs CDBG-Disaster Recovery Branch Housing Section Division of Financial Assistance – Federal Program

Version	Approved By	Effective Date
1.0	Stacy Rodgers, CDBG-DR Section Chief	1/26/2024
2.0	Stacy Rodgers CDBG-DR, Section Chief	3/1/24

## Version Policy

Version history is tracked in the table below, with notes regarding version changes. The dates of each publication are also tracked in the table.

Substantive changes in this document reflecting a policy change will result in an updated version. Future policy changes will result in additional revision and the issuance of a new primary version number.

Non-substantial changes, such as minor wording and editing or clarification of existing policy that do not affect the interpretation or applicability of the policy, will be included in minor version updates denoted by a sequential number increase behind the primary version number. Such changes would result in a version number such as 2.1, 2.2, etc.

## Version History

<b>Version Number</b>	<b>Date Revised</b>	<b>Key Revisions</b>
<b>V1.0</b>	1.26.2024	Initial Draft
<b>V2.0</b>	3.01.2024	Corrections to wording throughout document Corrected formatting Added footer Updated Level of Importance Table Updated Property Eligibility Criteria Added clarifying language regarding structure types Added additional items of proof of public benefit eligibility Additional income documentation Added clarifying language regarding ownership Updated address and phone number Revised sections referencing construction and updated to mitigation Update language for Appeals section Updated definition of stick-built home

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# 1 Program Overview and Purpose

In response to qualified presidentially declared disaster DR-4610, the California Department of Housing and Community Development (HCD) developed the ReCoverCA 2021 Single Family Mitigation Retrofits (SFM) Program to assist eligible owner and renter occupied properties located in the Department of Housing and Urban Development's (HUD) identified Most Impacted and Distressed (MID) county, with mitigation measures to increase protection against future wildfire disasters.

## 1.1 Purpose

The purpose of this document is to outline the governing policies and procedures of the Program. As periodic updates are made to these policies and procedures, new versions will be posted on the HCD disaster recovery [website](#).

# 2 Program Description

The Program aids eligible LMI Owner-Occupants and Landlords of affordable rental properties with incorporating Wildfire Mitigation measures, including the use of ignition resistant building materials and the creation of Defensible Space, to increase the level of protection against future wildfire disasters.

## 2.1 Program Timeline

The 2021 Single Family Mitigation Retrofits Program ("Program") will fully launch in February 2024 and will award eligible Projects until all funds allocated to the Program are exhausted or on July 1, 2026, whichever comes first. Program timelines are subject to change based on need and available funding.

Program Timeline	
Applications Open	February 2024
Application Deadline	July 1, 2025
All Eligible Projects Awarded	July 1, 2026
All Awarded Projects Completed	July 1, 2028
HCD/HUD Grant Closeout	September 16, 2028

## 2.2 National Objective

In accordance with 24 CFR 570.208 and Section 104(b)(3) of the Housing and Community Development Act (HCDA), all CDBG-DR mitigation set aside funded activities must satisfy a national objective. All Single-Family Mitigation activities will meet the LMI housing national objective.

### 2.3 Tie Back to the Disaster

Program tie back to a disaster is not required for utilization of the CDBG-DR mitigation set-aside. However, set-aside funds for Single Family Mitigation must be used for households located in the MID area of Plumas County.

### 2.4 Eligible Counties

To be eligible for the Program, properties must be in HUD- or State-Identified Most Impacted and Distressed (MID) county, which is limited to Plumas County.

### 2.5 Maximum Award

The maximum award is \$50,000 per eligible Household for both Wildfire and *Flood\** Mitigation items. All assistance will be provided in the form of a CDBG-DR grant. The Program understands that the maximum award may not allow for all necessary mitigation the home needs.

As such, the Program will institute the following "Level of Importance" approach in developing scopes of work that increase the level of protection against wildfires and *flooding\**. Funding will first be allocated to items that are the highest level of importance ("Level 1"), then to lower levels in order until either there are no more mitigation items or the maximum award of \$50,000 is reached.

*\*Only applicable to designated Counties receiving DR flood mitigation funds.*

Level 1 Importance Items	
<b>GOAL FOR LEVEL 1: To protect the envelope of the home from fire and water intrusion and install a Zone 0 protective (5'-0") barrier around the primary structure without altering aesthetics.</b>	<p><b>1.01</b> – Remove any debris/combustible material items and vegetation (live or dead) under and within five feet (5'-0") from each structure, excluding decks and pergolas, unless deteriorated.</p> <p><b>1.01A *</b> – <i>Provide minimal grading away from the home to achieve positive drainage.</i></p> <p><b>1.02</b> – Install pea gravel or other non-combustible hardscape under and within five feet (5'-0") from each structure, and if applicable, an attached deck in Zone 0.</p> <p><b>1.03</b> – Remove any tree limbs and brush (live or dead) that is within five feet (5'-0") from each Zone 0 structure. Must have ten feet (10'-0") above roof and ten feet (10'-0") away from any chimneys and stovepipe outlets.</p> <p><b>1.04</b> – Remove any combustible material items and vegetation (live or dead) on roof, including roof covering, roof valleys, and gutters.</p> <p><b>1.05</b> – Remove any deteriorated and combustible means of egress within (5'-0") of primary structure, which include combustible porches, stairs and landings, ramps, and railings. Replace it with ignition resistant standard grade material.</p> <p><b>1.06</b> – Remove any deteriorated combustible decks and/or pergolas attached to structure, that are beyond repair and replace with ignition resistant standard grade steps and landings (5'-0" x 5'-0" or 5'-0" x 10'-0").</p> <p><b>1.07</b> – Enclose underside of elevated porches, stairs, landings, decks, ramps, and steps with ember resistant wire mesh to prevent combustible material accumulation and penetration of embers.</p> <p><b>1.08 *</b> – <i>Coat exposed foundation/stem wall/perimeter foundation with waterproof coating paint and sealant.</i></p>



<p><b>1.09 *</b> – Seal penetrations in walls up to the flood line with waterproof coating paint and sealant.</p> <p><b>1.10 *</b> – Seal cracks in windows and doors which are below the flood line.</p> <p><b>1.11</b> – Replace the following vents with OSFM approved flame and ember resistant vents. These include fresh air intake, dryer, attic, gable, soffit, and under-floor ventilation vents. <i>*Switch to flood vents in foundation walls.</i></p> <p><b>1.12</b> – Repair any deteriorated areas or holes in combustible roof eaves, soffit, or fascia to prevent ember penetration into roof cavity.</p> <p><b>1.13</b> – Repair or remove and replace damaged or deteriorated windows, doors, siding, shingles, or other critical items affecting the living conditions of the applicant and home, with non-combustible materials.</p> <p><b>1.14</b> – Install metal flashing around the bottom, tops and sides of combustible garage doors to seal from embers.</p> <p><b>1.15</b> – Install a spark arrestor for non-compliant chimneys and stovepipes.</p> <p><b>1.16</b> – Install metal flashing or ignition-resistant material at roof-to-wall intersection to extend a minimum of 6" up the combustible wall and repair small gaps or holes in a combustible exterior.</p> <p><b>1.17</b> – Remove any attached combustible fences, gates and retaining walls and replace with noncombustible alternative, up to eight feet (8'-0") on each side of the primary structure.</p> <p><b>1.18</b> – Remove damaged gutters, or plastic gutters and downspouts and/or install metal gutters, gutter guards, downspouts, <i>and underground downspouts.</i></p> <p><b>1.19</b> – Replace AND/OR install aluminum window, door and sliding glass door screens.</p> <p><b>1.20</b> – Install visible address marker on structure for emergency services if not clearly visible from street.</p> <p><b>1.21 *</b> – <i>Provide grading away from home. Fix any negative slopes. If it is not possible to grade, dam around house using 4' or less retaining walls or riprap.</i></p> <p><b>1.22 *</b> – <i>Install berms, swales and/or French drains around house.</i></p> <p><b>1.23 *</b> – <i>Provide resident with deployable flood barriers on doors and windows below the flood line.</i></p> <p><b>1.24 *</b> – <i>Install flood shutters, flood logs, flood gate on doors and windows below the flood line.</i></p> <p><b>1.25 *</b> – <i>Plant vegetation and add mulch on hills sloping towards property to control erosion.</i></p>	<p><b>1.09 *</b> – Seal penetrations in walls up to the flood line with waterproof coating paint and sealant.</p> <p><b>1.10 *</b> – Seal cracks in windows and doors which are below the flood line.</p> <p><b>1.11</b> – Replace the following vents with OSFM approved flame and ember resistant vents. These include fresh air intake, dryer, attic, gable, soffit, and under-floor ventilation vents. <i>*Switch to flood vents in foundation walls.</i></p> <p><b>1.12</b> – Repair any deteriorated areas or holes in combustible roof eaves, soffit, or fascia to prevent ember penetration into roof cavity.</p> <p><b>1.13</b> – Repair or remove and replace damaged or deteriorated windows, doors, siding, shingles, or other critical items affecting the living conditions of the applicant and home, with non-combustible materials.</p> <p><b>1.14</b> – Install metal flashing around the bottom, tops and sides of combustible garage doors to seal from embers.</p> <p><b>1.15</b> – Install a spark arrestor for non-compliant chimneys and stovepipes.</p> <p><b>1.16</b> – Install metal flashing or ignition-resistant material at roof-to-wall intersection to extend a minimum of 6" up the combustible wall and repair small gaps or holes in a combustible exterior.</p> <p><b>1.17</b> – Remove any attached combustible fences, gates and retaining walls and replace with noncombustible alternative, up to eight feet (8'-0") on each side of the primary structure.</p> <p><b>1.18</b> – Remove damaged gutters, or plastic gutters and downspouts and/or install metal gutters, gutter guards, downspouts, <i>and underground downspouts.</i></p> <p><b>1.19</b> – Replace AND/OR install aluminum window, door and sliding glass door screens.</p> <p><b>1.20</b> – Install visible address marker on structure for emergency services if not clearly visible from street.</p> <p><b>1.21 *</b> – <i>Provide grading away from home. Fix any negative slopes. If it is not possible to grade, dam around house using 4' or less retaining walls or riprap.</i></p> <p><b>1.22 *</b> – <i>Install berms, swales and/or French drains around house.</i></p> <p><b>1.23 *</b> – <i>Provide resident with deployable flood barriers on doors and windows below the flood line.</i></p> <p><b>1.24 *</b> – <i>Install flood shutters, flood logs, flood gate on doors and windows below the flood line.</i></p> <p><b>1.25 *</b> – <i>Plant vegetation and add mulch on hills sloping towards property to control erosion.</i></p>
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<b>Level 2 Importance Items</b>	
<p><b>GOAL FOR LEVEL 2:</b> Clear Defensible Space per CalFire Requirements working from Zone 1 (5'-0" to 30'-0"), Zone 2 (30'-0" to 100'-0") to</p>	<p><b>2.01</b> – (CalFire Requirements) Remove all dead trees, plants, grass and weeds, dead or dry leaves, pine needles, cut lumber and firewood piles within 30' radius of primary structure – Zone 1 (5'-0" to 30'-0").</p> <p><b>2.02</b> – (CalFire Requirements) Trim all live tree branches to a minimum of 10' from other trees within 30' radius of primary structure – Zone 1 (5'-0" to 30'-0").</p> <p><b>2.03</b> – Create 10 feet (10'-0") of clearance of bare soil and nonflammable vegetation around and under all outbuildings, and if applicable, an attached deck, in Zone 1 (5'-0" to 30'-0").</p> <p><b>2.04</b> – Create 10 feet (10'-0") of clearance of bare soil and nonflammable vegetation around all outbuildings and wood piles in Zone 2 (30'-0" to 100'-0").</p>

<p><b>reduce ember quantity and travel.</b></p>	<p><b>2.05</b> – Remove any combustible material items and vegetation (live or dead) on roofs, or structures in Zone 2 (30’-0” to 100’-0”).</p> <p><b>2.06</b> – (CalFire Requirements) Cut or mow grass and shrubs to a minimum of 4” high in Zone 2 (30’-0” to 100’-0”).</p> <p><b>2.07</b> – (CalFire Requirements) Create horizontal and vertical space between shrubs and trees in Zone 2 (30’-0” to 100’-0”). Removing all tree branches 6’ from ground, and all shrubs from under trees. Dead needles, leaves twigs and bark permitted to depth of 3”.</p> <p><b>2.08</b> – Demolish and remove any Accessory Buildings which cannot be mitigated.</p>
<p><b>Level 3 Importance Items</b></p>	
<p><b>GOAL FOR LEVEL 3:</b> Once level 1 and Level 2 items are exhausted, then minimal alterations to aesthetics of home by repairing or replacing damaged items or items beyond useful life.</p>	<p><b>3.01</b> – Remove any combustible roof attachments (Solar Panel Mounts, HVAC Roof Mounts, Antenna Mounts, etc.) and replace them with non-combustible metal attachments.</p> <p><b>3.02</b> – Repair up to Two Hundred Square Feet (200’ SQ FT) of existing roof with Class A asphalt shingles, underlayment, with ember-resistant venting, flashing, drip edge and fascia (remove any skylights during roof repair or replacement).</p> <p><b>3.03</b> – Full roof replacement with Class A asphalt shingles, underlayment, with ember-resistant venting, flashing, drip edge and fascia (remove any skylights during roof repair or replacement).</p> <p><b>3.04</b> – Replace combustible door(s) and/or window(s) with fire rated compliant alternatives.</p> <p><b>3.05</b> – Replace or Repair damaged siding and/or trim with ignition resistant siding and trim.</p> <p><b>3.06</b> – Replace combustible garage door(s) if mitigation is not possible.</p> <p><b>3.07 *</b> – <i>Elevate electrical enclosures, junction boxes, panels, outlets, and switches above the flood line.</i></p> <p><b>3.08 *</b> – <i>Install ground fault circuit interrupters (GFCIs) in areas prone to water exposure. If not possible, make enclosures, wire and junctions rated for water submersion.</i></p> <p><b>3.09 *</b> – <i>Install a separate electrical main shut-off switch outside of main electrical panel.</i></p> <p><b>3.10 *</b> – <i>Provide backflow preventer on main water line.</i></p> <p><b>3.11 *</b> – <i>Install check valve on sewer line.</i></p> <p><b>3.12 *</b> – <i>Include rainwater harvesting tank or barrels.</i></p>

### 3 Roles and Responsibilities

**California Department of Housing and Community Development (HCD):** HCD’s Federal Recovery Branch is responsible for Program development and oversees its delivery at the state level. HCD has procured qualified vendors to perform full scale Program implementation. HCD provides oversight, monitoring, and quality assurance/quality control (QA/QC) on all work performed by the vendors.

**Homeowner Assistance Program Management (HAPM) Vendor (Case Management):** The Homeowner Assistance Program Management (HAPM) vendor is responsible for marketing, distribution, and implementation of the Program, including the application process, overseeing intake, completing eligibility and benefit

determinations, providing case management through the process, QA/QC to ensure Program compliance and prevent fraud, waste, and abuse, and serving as a liaison between Applicants and the Construction Management vendor.

**Construction Management (CM) Vendor:** The Construction Management (CM) vendor performs or causes to be performed the housing Wildfire Mitigation work under the Program. The CM is responsible for completing initial home inspections and Environmental reviews, determining costs to perform Wildfire Mitigation activities by developing a Wildfire Mitigation Scope of Work for all approved projects directly or through general contractors, monitoring progress and closeout on all Wildfire Mitigation progress.

## 4 Eligibility Criteria

### 4.1 Basic Eligibility Requirements

The following threshold requirements must be met for an Applicant to be eligible to participate in the Program. Applicant eligibility does not guarantee assistance.

### 4.2 Applicant Eligibility

Eligible Applicants include owners whose primary residence or rental properties are located in the MID area of Plumas County. Households of Owner-Occupied properties and Tenant households of rental properties must have household incomes at or below 80% AMI.

**Additionally, Applicants must meet ALL the following threshold criteria for the Program:**

Basic Eligibility Criteria
<p><b>Public Benefit</b> Applicant must be a U.S. Citizen or a qualified alien to receive federal public benefits as detailed in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.</p>
<p><b>Ownership and Occupancy</b> Owner-Occupant Applicants must demonstrate they have current ownership interest in the property as their primary residence. (Second Homes and vacation homes are not eligible for assistance under the Program). Landlord-Applicants must demonstrate they have current ownership interest in the property and currently rent the property to a LMI household.</p>
<p><b>Property Tax Status</b> Applicant must be current on property taxes or have an approved payment plan or rental tax exemption.</p>
<p><b>Authority to Apply to Program</b> Applicant(s) must have legal authority to complete an application, provide certifications and accept their Grant Award Acknowledgment and Loan Agreement, if applicable. If one or more of the current owners of the property does not consent to fill out an application, the Program cannot provide assistance to this property.</p>

**Access to Property**

Applicant must allow access to the property for all necessary Program staff.

**Income**

Owner-Occupants and Tenants household income may not exceed 80% of Area Median Income (AMI).

**4.3 Co-Applicants**

All property owners must be designated as Co-Applicants on the application. If the Applicant wishes to exclude property owners from the Application, the excluded owner(s) must agree to this in writing and demonstrate via documentation that they will not occupy the property. All non-Applicant owners of the property must sign the Program’s Co-Owner Consent Form.

**4.4 Property Eligibility**

The following table details property eligibility criteria for participation in the Single-Family Mitigation Retrofits Program:

<b>Property Eligibility Criteria</b>	
<b>Location</b>	The property must be located within the HUD designated MID area impacted by the eligible federally declared disaster, which is limited to Plumas County.
<b>Structure Type</b>	The property must be a single-family dwelling on a permanent foundation or affixed to a permanent pad (leased or owned pad), such as stick-built, modular, manufactured home, mobile home (i.e., not a condominium, duplex, fourplex, or other multi-owner property). “Fully titled” includes a permanent Certificate to Occupy on file with the city or county that was issued and active at the time of the disaster.
<b>Electric Access</b>	There must be a registered, metered electrical connection on-site. Solar as a sole source of power is not eligible.
<b>Water Sources Access (well and city)</b>	There must be site access to a water source, and it must have sufficient water flow rate to support the structure.
<b>Waste Water Access</b>	Home site must be connected to a wastewater treatment system (septic or city sewer).
<b>Parcel Requirements</b>	Parcel zoning must be for single-family residential
<b>Building Code Compliance</b>	Building code compliance must be easily attainable by the Applicant/Program.

***Due to potential unforeseen issues that include single-family detached dwellings, mobile homes, and MHUs. Structure type is verified using third-party data.***

#### *4.4.1 Eligible Structure Type*

Eligible structure types include single-family detached dwellings, mobile homes, and MHUs. Structure type is verified using third-party data.

##### *i. Ineligible Structure Type*

Structures that do not qualify as a single-family, detached dwellings, or properties that contain multiple units (such as duplexes, triplexes, fourplexes, and multifamily buildings or other dwellings with shared walls) and accessory dwelling units (ADUs) are not eligible for assistance. The Program also does not provide assistance for more than one primary residential unit on the same property, i.e. multiple single-family homes on one site.

##### *ii. Example of Ineligible Structures*

Ineligible structures include but are not limited to condominiums, townhomes, accessory dwelling units (ADUs), accessory detached structures (e.g., sheds), container homes, recreational vehicles, houseboats, camper trailers, and any multi-unit sites and/or dwellings. Properties without utility connections, such as those relying solely on solar power, are also not eligible.

#### *4.5 Income Eligibility*

The Single-Family Mitigation Program is open to LMI homeowners or landlords who currently rent to LMI households located in the MID area of Plumas County. Single family landlords need not be LMI themselves, however, tenants of rental properties are required to qualify as LMI households. Owner-Occupant Applicants and Landlord tenants will be screened for income eligibility through submission of specific required income documentation or third-party data sources.

To be recognized as Low-to-Moderate Income (LMI), a household's Modified AGI cannot exceed 80% of Area Median Income (AMI), adjusted for family size for the county in which their primary residence is located. HUD's Income limits are published on their website at the following link <https://www.huduser.gov/portal/datasets/il.html>. Income eligibility is verified at the time of application for Program eligibility and is valid for twelve (12) months from that date. 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 home.

Please Note: For Owner-Occupied Mitigation only, an exception may be made regarding the household members if the Applicant rents out a room in the home to a boarder, and the rental income is reported on the Applicant's tax returns. The boarder is not considered a household member, and their income is excluded from the income eligibility calculation. The rental income must be reported on the Applicant's tax returns,

otherwise the household is considered to be all occupants, as stated in the paragraph above.

The Program determines LMI status by using a modified HUD definition of Adjusted Gross Income (AGI) (“Modified AGI”) established in 24 CFR 570.3(1)(iii) at the time assistance is provided for the individual, family, and household. The Modified AGI definition, as reviewed by HUD on October 12, 2022, allows the Program to not count negative income reported on Part 1 of Schedule 1 on the Internal Revenue Service (IRS) Form 1040 (“tax return”) towards the Applicant’s annual household income. The Program will re-calculate the AGI using zero for Schedule 1, Part 1 income. The Program collects income information for all Applicants and household members who are 18 years of age or older.

All household members over the age of 18 must provide a copy of their previous year's filed federal tax return with all supporting schedules or tax return transcript, for the Modified AGI of the household to be calculated.

There may be situations where a household member may have had no obligation to file a tax return, have not yet filed, or filed an extension. In that case, the household member will be required to submit current documentation that reflects their current income. Acceptable documentation is shown in the table below:

Income Source	Form of Documentation
<b>Wages</b>	3 paystubs from the most recent 90-day period prior to the date of application; paystubs do not need to be consecutive unless the pay frequency is monthly Most recent W-2(s) if less than 90 days from year-end
<b>Self-employment / Business Income</b>	Most recently filed tax returns with all supporting schedules; and Current year-to-date profit and loss statement after the 6 <sup>th</sup> month
<b>Taxable Dividend and Interest Income (including amounts received by, or on behalf of minors)</b>	Most recent statement; or Prior year 1099
<b>Unemployment Benefits</b>	Current benefit letter with gross benefit amount
<b>Social Security and Supplemental Security Income (SSI)</b>	Current Social Security Benefits letter (including benefits paid to minors)
<b>Trust Income</b>	Most recent 1041 K-1
<b>Retirement (Pension, IRA, 401K, Annuity)</b>	Current pension/retirement benefit letter (if applicable) or prior year 1099 Current annuity payment letter (if applicable) or prior year 1099
<b>Rental Income</b>	Current lease agreement(s)
<b>Court Ordered Alimony/Spousal Maintenance</b>	Copy of court order documentation



Documentation for other less common types of income that may be taxable at the federal level and will be assessed by the Program based on the type of income reported.

Special circumstances related to Household Income and their requirements are described in the table below:

Special Circumstances related to Household Income
<p><b>Household Member has either no obligation to file a tax return, has not yet filed, or has an extension:</b></p> <p>The household member is required to submit current documentation that reflects their current income. Acceptable forms of documentation can be found in the “Required Documents” subsection.</p>
<p><b>Household Income has changed since most recent filed tax return:</b></p> <p>The Applicant will need to fill out an Income Recertification Form. If the updated household income changes the LMI status (LMI, non-LMI, above 120%), the Program will require a more recent tax return or may allow the Applicant to provide additional information such as pay stubs or other proof of income to verify the change if a more recent tax return is not available. Acceptable supporting documentation is listed in the table in the “Required Eligibility Documents” section. The Income Recertification Form is current for one year from the date the Applicant signs it. A new Household Income Certification Form will also be required if the Applicant’s income determination changes at all prior to the Program Award.</p>
<p><b>Applicant did not accept Grant Award Acknowledgement within 12 months:</b></p> <p>Applicants will be required to recertify their income, via the Income Recertification Form.</p>
<p><b>Household Members with Zero Income:</b></p> <p>Applicants will be required to complete the Zero Income Certification.</p>
<p><b>Applicant expects to receive income from new sources:</b></p> <p>Applicants must report income from other sources as part of the income eligibility review.</p>
<p><b>Applicant is receiving financial assistance from a family member:</b></p> <p>Applicant must provide a signed Verification of Recurring Cash Contributions and supporting documentation of the recurring contributions are required.</p>

#### 4.6 Required Eligibility Documents

All household members qualifying for the Program based on the threshold criteria are required to submit the documentation in the table below. The Program reserves the right to request additional documentation to determine an Applicant’s eligibility or to confirm meeting Program requirements.

Eligibility Requirement:	Required Document(s), as applicable:	Applies to:
<b>Public Benefit</b>	REAL ID Driver’s License or REAL ID Identification Card U.S. Passport; U.S Birth Certificate; Alien Registration Card; Naturalization/Citizenship Certificate; Annual Social Security statement; or Supplemental Nutrition Assistance Program (SNAP) Benefit letter	All Applicants
<b>Income</b>	Income Certification Form Most recent IRS 1040 tax return or tax return transcript. Most recent filed return and filed Tax Return Extension If current income tax return is not available and/or current income documentation is needed, the following will be required as applicable: Wages: 3 paystubs from the most recent 90-day period; they do not need to be consecutive unless pay frequency is monthly Retirement/Social Security: Current Social Security Benefits letter (including benefits paid to minors) Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 Current Annuity Payment letter (if applicable), or prior year 1099 Unemployment Benefits: Current benefit letter with gross benefit amount. Self-Employed: Most recent tax return (1040 or 1040A); or Current year profit & loss statements Rental Income: Current lease agreement(s) Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation. Taxable Interest and Dividends (including amounts received by, or on behalf of minors): Most recent statement or prior year 1099	All Household Members over age 18 Owner-Occupied Applicants and Co-Applicants
<b>Ownership: Stick-Built Homes</b>	Property tax bill (County or State); Deed; Title report; or Court order affidavit/succession. Program will conduct additional verification	Applicants



Eligibility Requirement:	Required Document(s), as applicable:	Applies to:
<b>Ownership: MHUs/Mobile homes</b>	Certificate of Title from HCD; County tax assessment for the structure; Recorded lease agreement; Bill of Sale and proof of payment	Applicants
<b>Primary Residence /Occupancy</b>	Copy of electric, gas, cable, or phone bill. The utility bill mailing address must match the subject property address and the address at which utilities are provided. Property tax homeowner exemption; IRS 1040 tax returns; Voter registration card; NOTE: incidental services such as propane tank bills are not considered utility bills and may not be used to establish occupancy.	Owner-Occupied Applicants
<b>Proof of Current Property Tax</b>	Paid property tax bill; Property tax deferral; Property tax exemption; or Property tax payment plan	Applicants Co-Applicants
<b>Duplication of Benefits (DOB)</b>	Proof of any other funding that may have been given/used for home hardening and/or mitigation measures.	Applicants Co-Applicants

***The Program reserves the right and may, at its sole discretion, require additional documentation to determine an Applicant's eligibility in meeting Program requirements.***

#### 4.7 Ownership

The Applicant must be the current owner of the property. The Program establishes current ownership by matching the owner's name on the application with current title report. The Program will conduct third-party data searches to locate and verify all owners with potential interest in the property. The Program reserves the right to request additional documentation.

Properties with title held in a business name, such as a Limited Liability Company, Partnership, Corporation, Sole Proprietorship, or S corporation, are not eligible. Program grant funds are not intended for businesses.

#### 4.8 Joint Ownership

Applicants with joint ownership of a property must submit a Co-Owner Consent form, signed by all co-owners, which gives each co-owner's consent for the Program if the Applicant qualifies to receive assistance.

The Program will conduct third-party data searches to verify Program requirements.

#### 4.9 Single Assistance Per Applicant

An Applicant can receive assistance for one owner-occupied residence per parcel. If assistance is granted for an Applicant’s primary residence, they are ineligible for additional assistance under this Program for any other structures on the same parcel, even if they own or co-own those structures.

#### 4.10 Co-Ownership and Residency

If an applicant is an owner or co-owner of other single-family detached structures on the same parcel, and those structures are occupied by other co-owners as their primary residences, those co-owners will be ineligible for assistance.

#### Trust-Owned Properties

For properties owned under a trust, the same restrictions apply. Assistance is provided for only one single-family detached structure per parcel that serves as the primary residence of a trust beneficiary. No further assistance will be given for other structures owned by the trust on the same parcel.

#### 4.11 Special Circumstances Related to Type of Ownership

##### *a. Stick-built homes on leased land*

Applicants with Stick-built homes on leased land must document that they are the owner of the structure and have the repair responsibility for the home. Applicants also must document that they currently have a valid lease.

##### *b. Mobile homes or MHU’s on leased land*

Applicants with mobile homes or MHUs on leased land must document that they own the structure and have a valid lease on the land.

##### *c. Required Documentation*

The Applicant must show that they meet the criteria for their specific type of ownership by providing the following documents as required for each:

<b>Stick Built Home</b>	<b>Mobile Home or MHU on leased land</b>
All documents are required: Property tax records show the Applicant owns the structure Signed lease for the land showing that the Applicant is the owner of the structure and is responsible for repairs to the structure; and Insurance Policy naming the Applicant as the insured	One (1) document is required: Certificate of Title from California HCD County tax assessment for the structure Recorded lease agreement Bill of Sale and proof of payment

The Program reserves the right, in its sole discretion, to require the Applicant to provide additional documentation at any point during the application process. Additional documents related to ownership of both Stick-built, mobile home, and MHU structure types are reviewed on a case-by-case basis. v. Trust.

**Properties held in a trust are reviewed on a case-by-case basis depending on the terms of the trust. The following documents are required for Program’s review:**

Document	Required Information	Applies to
<b>Trust Agreement, all amendments</b>	Name of Trust TIN, EIN, or SNN Date of Trust Creation Date of Amendment(s) Property Address Name of all trustees	Applicant(s) Co-Applicant(s) Co-Owner(s) Trustor(s) Grantor(s) Trustee(s)

The Applicant must always sign their name how it is shown in the Trust. When adding the Trust as a Co-Applicant, the Trust name should mirror how their name is listed on the Grant Deed.

*d. Foreclosure*

Applicants whose homes are in pending litigation for foreclosure, are in foreclosure or have been foreclosed upon are not eligible for the Program. Applicants whose properties were seized or are at risk of being seized due to delinquent property taxes or tax liens are not eligible. The Applicant is not excluded from re-applying to the Program if the Applicant can provide documentation showing the pending litigation or foreclosure has been resolved and the Applicant retains ownership.

*e. Non-compliant with FEMA regulations*

The National Flood Insurance Reform Act of 1994 (NFIRA), Public Law 103-325 as amended, contains certain provisions regarding the purchase and maintenance of flood insurance to qualify for Federal assistance.

Applicants who received Federal flood disaster assistance that was conditioned on obtaining flood insurance under Federal law, but who did not obtain and maintain the insurance, are not eligible for Federal disaster assistance under this Program.

*f. Death of an Eligible Applicant*

When the Program is notified of the passing of an Applicant, the Case Manager will work with the heirs/successors/estate administrators, as applicable, to complete a new eligibility review of the application. Specific scenarios are listed below.

Should the passing of an eligible Applicant require that Mitigation Retrofit activities stop, the CM will immediately weatherize the property, if applicable, in a manner that protects

the property, preserves any partially completed work, and avoids any adverse effects of stopping mitigation activities.

Successors of the Applicant must provide a death certificate and provide documentation to substantiate new ownership of the property, for example: will, probate documents, and/or court orders to start the new eligibility review process.

After the passing of an Applicant, the application will be reviewed in accordance with the following specific scenarios listed in the table below:

<p><b>Death after Application and prior to execution of the Construction Contract: :</b></p>	<p>If an eligible Applicant passes away after an application is submitted, but before execution of the construction contract, the eligible Applicant's heir/successor may be deemed eligible to receive assistance through the program if:</p> <p>For Owner-Occupied Applicants:          The heir/successor is a household member listed on the application;          and          The heir/successor can demonstrate current ownership of the property via one of the acceptable methods outlined in this section;          and The heir/successor meets all other eligibility requirements.</p> <p>For Landlord Applicants:          The heir/successor can demonstrate current ownership of the property via one of the acceptable methods outlined in this section;          and          The heir/successor meets all other eligibility requirements.</p> <p>If no eligible heir is identified, the application will be withdrawn.</p>
<p><b>Death after executing the Construction Contact:</b></p>	<p>If an eligible Applicant passes away after the execution of the Construction Contract but before mitigation completion, the Program will complete mitigation of the property. The heir may not request changes to the property that were not approved by the program and original applicant.</p> <p><i>All disbursement and mitigation activities will continue while the Program verifies and/or completes the following:</i></p> <p>Receives the death certificate and confirms the death of the Applicant occurred after execution of the Construction Contract.          Receives a court order providing the name of the approved heir or successor of the Estate of the deceased Applicant.          Amends the existing application to add the name of the heir or successor of the Estate as the representative of the estate who will then accept the Grant Award Acknowledgment to assume all obligations and authorize rights for the terms of the Application, Application Certifications, and the Grant Award Acknowledgment.          Obtains proof of title transfer from the heir or successor.          Obtain copy of Identification Card or Driver's License.</p>

## 4.11 Occupancy and Primary Residency

### *a. Occupancy Requirements*

If the Applicant is an Owner-Occupant, they must currently own and occupy the property as their primary residence. Vacation homes and investment properties are not eligible for assistance under the Program. Second homes are not eligible for assistance unless the second home is being rented out to LMI tenants.

If Applicant is a Landlord, they are not required to have occupied the property as their primary residence, but they must currently rent the property to LMI tenants.

In determining if the owner-occupant occupies the property as their primary residence, the Program evaluates the application as a whole; no one document can be regarded as a conclusive determinant of primary residence status if information presented in other application documents or application circumstances reference more than one address or location.

The Program may require the Applicant to provide additional documentation or affidavits to explain any discrepancies at any point during the application process. The Program, after review of applicable occupancy supporting documents, decides on primary residence eligibility based on known circumstances and available information at the time of processing the application.

### *b. Special Circumstances Related to Type of Occupancy*

The following exceptions apply under special circumstances related to occupancy for Owner-Occupants as it relates to the occupancy requirements:

- Active-duty military personnel whose primary residence is in an eligible county.
- Homeowners incapacitated due to illness whose primary residence is in an eligible county and are unable to occupy the home are eligible to apply to the Program. If the homeowner is currently incapacitated and unable to oversee their own affairs, the application must include legal documents for the person designated to act on their behalf.
- Homeowners whose primary residence is in an eligible county who are incarcerated at the time of application are eligible to apply for the Program.
- Other special circumstances related to occupancy are reviewed on a case-by-case basis and may be subject to additional documentation requirements as deemed necessary by the Program, in its sole discretion.

## 5 Pre-award Procedures

### 5.1 Application Outreach

HCD is committed to affirmatively furthering fair housing and ensures accessibility through established affirmative marketing and outreach activities. HAPM is tasked with implementing a detailed outreach plan to ensure that outreach and communications efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial

status, persons with disabilities, and gender groups and that they are given the opportunity to apply for mitigation funding. HCD oversees the HAPM's efforts in developing and implementing the Outreach Plan and participates in outreach and marketing activities as needed. Because the Program prioritizes LMI homeowners and beneficiaries, it is critical that the outreach activities reach LMI individuals. Outreach activities may include door-to-door canvassing, and special efforts to communicate with hard-to-reach populations such as seniors or persons with severe disabilities. Special outreach activities are directed to finding and communicating with LMI homeowners who may have had to temporarily relocate, such as elderly homeowners who may have gone to stay with family outside of the impacted area. This outreach plan also provides an overview of HCD's communications, goals, and strategies.

**Marketing is conducted through widely available media outlets, which may include:**

- Advertisement in local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act
- Coordination with public and/or non-profit organizations
- Outreach at government offices, churches, grocery stores, senior centers, etc.
- Use of social media when appropriate

Measures are taken to make sure the Program is accessible to persons who are considered members of a protected class under the Fair Housing Act by holding community meetings as well as all advisory meetings in buildings that are compliant with the Americans with Disabilities Act (ADA). Translation services are available for all community meetings as well as advisory services.

Program marketing materials are presented in English and Spanish and are developed to meet accessibility standards. In addition to marketing the Program during the launch and application intake period, outreach efforts are utilized during periods prior to specific Program updates to ensure that Program stakeholders are always informed and able to respond appropriately.

## 5.2 Application Process

### *A. Submitting an Application*

The main method of submitting Applications is online via HCD's Application Portal for the Program. Applications may be submitted at [ReCoverCA | California Department of Housing and Community Development](#).

Reasonable accommodations are available to assist homeowners who do not have access to complete an online application. Hard copy applications are available for download at [ReCoverCA | California Department of Housing and Community Development](#) or by contacting HCD at (916) 202-1764 (the Program can accept collect calls).

Hard copy applications may be completed, signed, and submitted fax to 916-263-2764. Applications can also be mailed to:

Department of Housing and Community Development  
ReCoverCA Housing Programs  
651 Bannon St. Suite 400  
Sacramento, CA 95811

Program Case Managers are available to assist with completing an application via telephone and at outreach events. Mobile intake is also available to assist those in need. Mobile intake is when a Case Manager will go to the Applicant's residence, in the event the Applicant is unable to attend the physical center and/or does not have access to the internet.

**Application deadline:** Applications are accepted until July 1, 2025, or all funds are exhausted, whichever comes first. The Program reserves the right to extend the application deadline as necessary with reasonable notification to the public prior to the extension taking effect.

Once a person has completed and submitted an application, they become an Applicant to the Program. From that point forward, Applicants must abide by all Program policies and procedures outlined in this manual. The Applicant is assigned to a Case Manager, who is responsible for managing communications with the Applicant during the Program. An Applicant can communicate with the Case Manager to obtain updates on the application status.

#### *B. Application Forms*

All Applicant(s) and Co-Applicants must sign the following Program required application documents either electronically using DocuSign within the Application Portal or hard copy signed **with an original signature**.

- Personal Information Release Authorization Form
- False or Misleading Statements
- Right of Entry (ROE) Authorization and Agreement
- Household Income Certification Form
- ReCoverCA Homeowner Grant Application Certifications
- Grant Program Certification Form – Addendum (Landlord Only)
- Other Program-related documents as needed

To submit required documentation electronically, Applicants must enter a valid email address for each household member 18 years of age or older. Documents that are manually signed must be signed with an original signature to be accepted.

There may be multiple owners on title to the residence who are not occupants of the household. All occupant and non-occupant owners on title must sign the Co-Owner Consent Form.



The Program is not liable for disputes arising between owner occupants and non-occupant owners.

#### *C. Homeowner Responsiveness and Voluntary Withdraw*

During the application process, Applicants are expected to respond to Program requests for information/materials in a timely fashion to complete the eligibility process. At no time should a Program request for additional information go unanswered beyond twenty-one (21) calendar days.

If the Applicant needs an extension, clarification, or assistance, they must make that request within the (21) calendar day window. If the Applicant fails to provide the requested information/materials or fails to ask for an extension or assistance, their application will be closed.

If an Applicant becomes unresponsive, the application will be closed. “Unresponsive” is defined as the failure to answer or return three (3) consecutive phone calls, and failure to respond to one (1) written request within twenty-one (21) calendar days. Exceptions to the above may be approved by the Program on a case-by-case basis for clearance of title defects, death, or illness of a homeowner, or other circumstances beyond an Applicant’s span of control.

Applicants may request to voluntarily withdraw from the Program at any time. Applicants must provide a request to withdraw in writing or by email to their Case Manager or to the Program. However, if an Applicant cannot or will not provide a written request to withdraw, a detailed case note may be used to support the Applicant’s withdraw request. All Applicants who choose to withdraw will have the option to rescind their request to withdraw within thirty (30) calendar days. If an Applicant chooses to withdraw after mitigation has begun, the Applicant will be required to repay all Program funds expended on the Mitigation of their home through a recapture process. A withdrawn application is final and not appealable. Once an application is withdrawn, a new application will be required if the Applicant wishes to participate in the Program again, if program funds are still available.

#### *D. Limited English Proficiency (LEP)*

Homeowners whose primary language is not English are provided vital Program documents (e.g., brochures and any relevant forms) as well as other tools for guidance translated to their native language. As a standard practice, Program documentation is translated into Spanish. Translation into other languages is completed upon request. Bilingual Case Managers are available to assist with translating documentation and providing communication with Applicants. By translating and providing Program documents in their native language, all homeowners are given reasonable opportunities to understand Program requirements.

#### *E. Special Needs*

In accordance with Section 504 of the Rehabilitation Act of 1973 requirements, necessary accommodations are made to ensure that eligible persons with special needs



can successfully participate in the Program. These accommodations may include but are not limited to ensuring that all facilities are readily accessible by persons with disabilities, the use of American sign language and braille, oral presentation of documents, and home visits by the Case Managers.

All Applicants are provided a Verification of Disability form, which offers options for commonly requested accommodations that may be requested without additional documentation. Additional accommodations can be made if necessary. An Applicant can establish their need for additional special accommodation by presentation of a mobility card, or presentation of proof of SSDI benefits.

#### *F. Environmental Stop-Work Order*

Homeowners that have begun Mitigation work on their property prior to submitting an application are required to stop work upon submitting an application. The Program issues a stop-work notification to homeowners requiring an end to ongoing work, so that an environmental review can be conducted and finalized without having to redo Program work due to homeowner changes in the work environment. Homeowners that do not comply with the requirement to stop work will be deemed ineligible for Program assistance unless the Homeowner needed to address a valid health and safety issue. HUD rules and regulations that govern the environmental review process can be found at 24 C.F.R. part 58.

To be eligible for the Program, Applicants must comply with the environmental requirements which include:

- Stop all on-going Mitigation construction activities at the time of application submission to the Program.
- Wait until the environmental clearance is completed prior to initiating Program approved work on the property.

## 6 Construction Activities

The Construction Manager (CM) performs or causes to be performed the Wildfire Mitigation work under the Program. The CM is responsible for completing initial home inspection and Environmental Tier II reviews, determining the estimated cost to repair (ECR), developing the Scope of Work for all approved projects directly or through general contractors, developing plans if needed, and monitoring progress and closeout on all Single-Family Mitigation Projects.

The CM provides eligible Applicants with Wildfire Mitigation retrofit housing options that meet California and WUI building codes, as well as compliance with The Americans with Disabilities Act (ADA) where required.

### 6.1 Homeowner Responsibilities

By applying to the Program, the homeowner agrees to meet all requirements of the Program, including the Environmental Stop-Work Order, Application certifications, Grant Award Acknowledgment, and all other executed legal documents.

Additionally, the Program, in its sole discretion, has the authority to deny any application if the Applicant, or any party associated with the Applicant, becomes verbally or physically abusive or threatening in any way, whether in writing, in person or telephonically, to any Program or HCD staff or associate.

Finally, all Applicants must agree to the following during the mitigation process:

Applicant Responsibilities During Mitigation
<p><b>Ownership</b> The Applicant agrees not to transfer or cause to transfer title to the property or any interest in the property during mitigation.</p>
<p><b>Access to Property</b> The Applicant must arrange access to the property for building contractors providing mitigation services. If reasonable and timely access is restricted or denied to a GC who is making a good faith effort to perform required work, the award may be terminated.</p>
<p><b>Personal Property</b> Upon acceptance of the Grant Award Acknowledgment, the homeowner may be required to relocate personal property during mitigation activity. The Program is not responsible for lost or damaged belongings of the Applicant and/or household members that have occurred during mitigation.</p>
<p><b>Reasonable Space</b> During the mitigation phase the Applicant must not interfere in work areas and make a reasonable effort to stay away from the mitigation zone.</p>
<p><b>Cooperation</b> The Applicant shall comply with the terms of all Program agreements, as applicable, and shall cooperate with the Program, its officials, employees, assigns, agents, contractors, consultants, and Construction Manager, including their assigns, employees, subconsultants and subcontractors (collectively, the "Assistance Providers") with respect to the mitigation work. In the event any household member unreasonably interferes with the Work or an inspection in any manner, the Contractor shall deliver a written notice to the Applicant and the Program, ordering the Applicant to cease any activity causing the interference. If the Applicant does not cease the activities specified in the notice within three (3) calendar days, Applicant may be prohibited from participating in the Program and may be required to reimburse Program funds to HCD for all Work performed on the Property by Contractor.</p>

## 6.2 Pre-Construction Activities

Once an Applicant has been determined eligible for assistance, a Work Order is created for the Construction Management staff to initiate pre-construction activities. Pre-construction activities consist of:

- Initial Site Inspection
- Tier II Environmental Review for exterior only – inside only as needed
- Scope of Work Development and Review

### A. Initial Site Inspection

Prior to the Initial Site Inspection, Construction Management staff will consult the Program’s Application Portal for the following information:

- Program approved structure type
- Structure characteristics (square footage, bedroom count, etc.)
- Applicant household size (if needed)
- Verification that no rehabilitation is currently underway
- Relevant DOB data

Before the Initial Site Inspection, the Case Manager contacts the Applicant to schedule an appointment for the Initial Home Inspection, providing at least 72 hours advance notice. All communications and attempted communications are documented in the Application Portal. The Applicant, Co-Applicant or someone designated by the Applicant(s) to act on their behalf must be present during the Initial Site Inspection. Construction Management-contracted inspectors conduct the Initial Site Inspection. Inspectors will visit the property and gather any necessary information to determine the following:

- Assesses property and what Wildfire Mitigation work is needed. This needed work will be prioritized in accordance with the level of importance items identified in Section 2.4 above, up to the \$50,000 maximum award amount.
- Verifies, if applicable, any repairs already completed for eligible DOB exclusions as reported to Case Management in the application process.
- Reports back to the Program all feasibility issues they observe during their inspection.
- Staff conducting the Initial Home Inspection collect sufficient data to determine the required Wildfire Mitigation work needed. The inspector verifies, upon request of the eligibility team, any information from the homeowner regarding work that has been initiated or completed.

CM inspectors will observe, and document needed Wildfire Mitigation work with notes and at a minimum take the following photos:

- Front elevation
- All other exterior elevations
- Adjacent exposures (backyard, side yards, proximity of dwellings, and any outbuilding)
- Obvious environmental issues (such as hazardous trees threatening the construction site)
- Verify no homeowner construction activities in process

#### *B. Estimated Cost of Repair (ECR)*

An Estimated Cost of Repair (ECR) is prepared to document the line items and estimate the costs of repairs needed to complete the Wildfire Mitigation work identified during the Initial Home Inspection, in accordance with the level of importance table in Section 1.6 above, and not to exceed the Program's maximum award amount of \$50,000. To establish a basis for quantifying these materials and labor costs needed and to ensure consistency throughout the Program, the ECR is created in Xactimate using standard unit-based labor and material costs.

All cost estimates for work completed or for work still needed to complete are created using Standard Grade Building Material costs and [Minimum Architectural and Design Standards](#) defined by the Program.

The ECR and subsequent scope of work is then submitted to the eligibility team to review with homeowner.

### *C. Environmental Review*

All federal regulations regarding lead-based paint, environmental review, housing quality standard, procurement, labor standards, etc. apply to this Program. If issues are identified within an application, an application may be required to undergo additional reviews, and this may take additional time to resolve.

The National Environmental Policy Act of 1969 (NEPA), as amended, established the national policies, procedures, and regulations for protecting and enhancing environmental quality.

It requires the evaluation of environmental impacts of proposed federally funded projects and identification of any necessary Wildfire Mitigation measures to minimize or prevent adverse impacts. An environmental review is necessary for all HUD-assisted projects, including projects funded partially or in full by the Program, prior to any commitment of funds.

All mitigation and reconstruction projects undertaken with Program funds and all activities related to that project are subject to the provisions of NEPA and the HUD environmental review regulations at 24 C.F.R. part 58.

The HUD environmental review process must be completed before any funds are committed and disbursed for Program-eligible activities. No work may start on a proposed project before the environmental review process is completed, even if that work is being done using non-HUD funds. If work has already been started with non-HUD funds, the Applicant will be required to stop existing work until the environmental review process is complete.

Environmental review must be concluded for each project prior to the firm commitment of any Program funding. A violation of this requirement may jeopardize federal funding to this project and disallow all costs incurred before the environmental review and HUD's approval for release of funds.

The HUD environmental review's main objectives are to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors.

An environmental review consists of a statutory checklist of required review items that documents the project that meets NEPA and all other environmental requirements. Properties with environmental findings are not permitted to proceed under housing activities unless the finding is corrected.

Laws and regulations which contain environmental provisions that must be complied with include:

- Noise
- Historic Properties
- Coastal Zones
- Environmental Justice
- Floodplains
- Wetlands
- Manmade Hazards
- Water Quality
- Air Quality
- Endangered Species
- Farmland Protection

Environmental reviews are conducted according to the HUD environmental review regulations at 24 C.F.R. part 58 and may be subject to specific provisions based on the specific site and level of review necessary. Wildfire Mitigation activities must meet the requirements under 24 C.F.R. part 58.5 that documents the limited impact of the activity in the area overall. This is completed through a tiered approach working with local districts and the individual project sites.

#### *i. Environmental Tier I*

A Tier I, or broad, review encompasses geographical areas or neighborhoods often with similar environmental characteristics. Jurisdictions with housing applications and awards must complete a Tier I Environmental Review to document area compliance with regulations, statutes, and executive orders under 24 C.F.R. part 58.5, which may include all or most of the following as applicable:

- Description of proposed project activities by all funding sources.
- Project location(s)/area(s) supported by a locational map.
- Color photographs, site plans, project plans, and maps (e.g., topographic, aerial).
- Existing environment on and around project site/area and how it is expected to change.
- Other information as recommended by environmental agencies and project professionals.

#### *ii. Environmental Tier II*

Each awarded property must be reviewed in accordance with specific location-based regulations under NEPA, including EPA hazards, airport and fly-by noise levels, historical properties (OHP), and flood zones. These Tier II, or site-specific, reviews

should provide the following for the entire project scope and all phases of the project from beginning to end for each project site:

- Color photographs, site plans, project plans, and maps (e.g., topographic, aerial)
- Temporary impacts anticipated by Wildfire Mitigation activities and a timeline for construction
- Toxic and/or Hazardous Sites data
- Coordination or exemption letters from state or federal agencies if necessary
- Testing for lead and asbestos
- Any other supporting documentation

#### *D. Design Process*

The Design Process incorporates information gathered during the Initial Home Inspection and the Tier 2 Environmental Review to produce a Scope of Work. The Design Process consists of:

- Site-specific design work visit
- Creation of Scope of Work

#### *E. Scope of Work Creation*

A Scope of Work (SOW) is the comprehensive list of activities and associated costs required to complete the Wildfire Mitigation scope of work including, but not limited to materials, labor, required environmental mitigation activities (if applicable), soft costs, permitting fees, and overhead and profit.

Like the ECR, Scopes of Work are determined by inputting quantities and measurements, using standard grade materials, into Xactimate for all projects to ensure consistency throughout the Program. The estimating tool uses current construction costs with regional or county adjustments and applicable taxes to account for pricing differences between regions. However, it is possible that the Program's SOW is lower or higher than other assessments that the Applicant may have, whether from SBA, NFIP, a private contractor, or another third-party entity.

#### *F. Building Codes*

All residential construction projects must comply with the current published housing construction codes of the State of California. Housing construction codes for buildings in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

Building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards must meet or exceed all applicable requirements for housing or building construction.

Construction standards for HCD's housing projects can be referenced online at:

<https://www.hcd.ca.gov/building-standards-hcd>.

### *G. Local Building Codes*

Contractors and subcontractors are also held to compliance with building codes set forth by any local government where work is being completed and the codes are more restrictive than the state or federal laws.

Inspections must include reviews for compliance with local, state, and federal building standards. Code Enforcement inspectors are provided by local and state governments. Specific code compliance to achieve Wildfire Mitigation, such as WUI codes, are implemented according to local code and the unique needs of impacted communities.

### *H. Wildland-Urban Interface (WUI) Area Building Codes*

WUI area building codes are designed to mitigate the risks from wildfire to life and property. The standards within a WUI area code vary according to the scope that a community is willing to adopt and enforce. All homes in this program will be retrofitted to meet this standard regardless of it being code in their county/city. Typically, however, a WUI area code may include the following topics:

- **Structure density and location:** number of structures allowed in areas at risk from wildfire, plus setbacks (distance between structures and distance between other features such as slopes).
- **Building materials and construction:** roof assembly and covering, eaves, vents, gutters, exterior walls, windows, non-combustible building materials, and noncombustible surface.
- **Vegetation management:** tree thinning, spacing, limbing, and trimming; removal of any vegetation growing under tree canopies (typically referred to as “ladder fuels”), surface vegetation removal, and brush clearance; vegetation conversion, fuel modifications, and landscaping.
- **Emergency vehicle access:** driveways, turnarounds, emergency access roads, marking of roads, and property address markers.
- **Water supply:** approved water sources and adequate water supply.
- **Fire protection:** automatic sprinkler system, spark arresters, and propane tank storage.

### *I. Construction Monitoring, Periodic, and Final Inspections*

The Construction Manager’s responsibilities include maintaining and creating paperwork for assignments, overseeing contractor pre-construction meetings, and monitoring projects by conducting on site progress inspections. Construction Managers upload the results of all progress inspections to Application Portal to be used by Program staff for building contractor’s invoices and draw request processing.

Building contractors are responsible for contacting the Construction Manager to request an onsite progress inspection once construction milestones have been reached. The Construction Manager inspects to verify the work being invoiced has been performed skillfully.



- When work is nearing completion, the building contractor notifies the Program of a specific date when the job is ready for final inspection, which guarantees that all work has been completed according to contract specifications.
- The Construction Manager will deliver copies of all building inspections and permits issued by the local building authority.
- The Program verifies that the homeowner receives all warranties and instruction booklets for installed equipment.

### *J Change Orders*

Change orders may be necessary during Mitigation projects. Change orders are requested when the initial agreed upon scope and/or pricing requires modification due to unforeseen conditions. The purpose of the change order is to communicate and record changes to the SOW, contract amount milestones, and/or contract time. Homeowner-initiated change orders are not accepted unless the change is related to an accessibility issue or building code changes that have developed since the development of the SOW.

All change orders must be supported by a cost reasonableness analysis and include:

- The reason the change is necessary
- The type and SOW needed
- The estimated cost
- The estimated number of days to complete

The change order request and all supporting documentation must be delivered to the CM for approval. The CM reviews all requests for change orders in accordance with all federal, state and Program environmental requirements, evaluates cost reasonableness and signs the change order. Then, the homeowner must sign the change order and if applicable, bring any additional funds over the grant award cap prior to the change order being approved by HCD.

No change order, regardless of whether there is a cost involved, shall be deemed approved until HCD has signed the change order request. Work completed without an approved change order is considered unauthorized and at the building contractor's expense.

The CM notifies the building contractor in writing of either approval or denial of the change order. The CM transfers the approved change order and all supporting documents to the Case Manager to recalculate the award amount, if needed. If the change results in a modification to the Grant Award amount, the Grant Award Acknowledgment is amended in addition to the construction agreement. Change orders that result in a modification to the grant amount requires HCD approval to modify the Grant Award Acknowledgment.

Costs included in approved change orders are invoiced on the final draw only.



### *K. Construction Warranty*

In accordance with California Civil Code 900, a builder shall provide a homebuyer with a minimum of one-year express written limited warranty covering the function, fit and finish of the building components.

Building contractors must provide all express warranties prior to the inspector signing a final inspection form. Photographs of the construction work are taken for documentation purposes.

Homeowners must be provided with a warranty information binder detailing building warranties as well as instruction booklets and information for warranty items beyond the scope of the building contractor such as appliances. The homeowner must sign an acknowledgement form indicating that they have reviewed warranties with their building contractor.

### *L. Monitoring*

After completion of construction, the CM conducts a final site visit to validate that all activities detailed in the SOW are complete and in accordance with all Program requirements and state and local building codes. The CM completes a final inspection form, signed by the homeowner(s), indicating that all mitigation activities are complete and satisfactory. This final inspection and signoff are included with the Applicant's file. The CM also verifies that the Applicant's file includes:

- All required permits and building inspection reports
- Final Program inspection
- All environmental reports and remediation details
- Construction warranties and any associated material or product warranties
- Ensure all mitigation change orders processed

Additionally, the Case Manager performs a closeout reconciliation of the Applicant file, ensuring that the following documents have been collected:

- Proof of ownership and occupancy at the time of closeout
- For rental properties: Proof the property is rented to LMI tenants
- Escrow refund documentation (if applicable)
- Update DOB verification
- If in flood zone, proof of flood insurance at time of closeout

## **7 Award Determination and Calculation**

### **7.1 Award Determination**

The Program determines the award amount by deducting all DOB received by the Applicant from the final SOW cost, not to exceed the Program award cap of \$50,000 for Mitigation activities.

The cost of any mitigation activities which are already underway or complete by the Applicant are evaluated and if approved by Program is input into the Applicant's award calculation as a reduction to the DOB.

**The award determination yields one of three results:**

- Zero award – When the DOB (assistance already received) is equal to or greater than the final SOW cost.
- Grant award – SOW cost is greater than DOB but less than or equal to the grant cap of \$50,000 for Mitigation activities.
- Grant Award + Gap – SOW cost is greater than DOB and greater than the Mitigation grant cap. Applicants must provide funds to cover the difference between the award and the total SOW cost.

### 7.2 Award Calculation

Each award is calculated using the final scope of work cost for the eligible Mitigation, less than the amount of DOB, not to exceed the Program's maximum grant cap of \$50,000 per damaged property.

Therefore, to calculate the total eligible award, the Program uses the following process:

- The Program determines an Applicant's total need by conducting an initial site inspection and developing a final SOW to determine the total cost to mitigate the property in accordance with the level of importance table in Section 1.6.
- The Program calculates the Applicant's total assistance received to date for the same purpose as Program funds (DOB) by adding up funding from sources such as cash awards, grants and loans received by or available to each Applicant, including awards under local, state, or federal programs, and from private or nonprofit organizations. For more information on what qualifies as DOB, see Section 9.2.
- The Program determines, in accordance with policy, how much of the total assistance received is considered a non-duplicative exclusion to DOB. Non-duplicative exclusions are funds that are either 1) provided for a different purpose, or 2) provided for the same purpose (eligible activity), but for a different, allowable use (cost). For more information on how DOB is calculated, see Section 9.2.
- The Program compares the DOB amount with the total need. If the total need is greater than the DOB amount, Program funds are applied to the gap up to \$50,000, as described above. If the DOB amount is greater than the total need, no Program funds are awarded.

#### *A. Verification of DOB*

All DOB funding must be accounted for prior to the homeowner receiving an award. Homeowners with a duplication must sign an affidavit affirming they have all DOB funding on hand and must place it in an escrow account held by the Program for use during mitigation. Reverification checks are completed prior to the final award

determination and will be completed again as part of ongoing compliance efforts after the completion of a project.

### 7.3 Escrow

The amount that is the homeowner's responsibility must be remitted to the Program and placed into a Program-managed escrow account, prior to entering a construction contract with CM. The funds from the escrow account are disbursed first and once all funds from the account have been fully disbursed, the grant funding is disbursed.

### 7.4 Pre-Award Verifications

Applicants are responsible for providing truthful, accurate, and complete information and documentation to the Program. However, prior to making an award, the Program is responsible for reviewing each Applicant file to verify all information is complete, Applicant eligibility is verified, and all benefit calculations are completed correctly.

The Case Manager conducts the initial eligibility review and award determination with verification by HAPM and HCD.

The Program performs multiple eligibility and DOB reviews throughout the application, award acceptance, and compliance processes. After consideration of new information and documentation during these reviews, the Program may make changes to the Program award determination and calculation.

### 7.5 Final File Review (Quality Assurance/Quality Control 1 + 2)

After the SOW process is completed, the HAPM team will conduct Quality Assurance/Quality Control 1 (QA/QC1) to ensure file completion and feasibility of the project before submitting the completed file to HCD. HCD Staff will conduct Quality Assurance/Quality Control 2 (QA/QC2) before final approval to move into Grant Award Acknowledgement.

### 7.6 Award Acknowledgment

After receiving a completed application (including all documents), determining the Applicant is eligible, completing a final SOW, and completing the award calculation, the Program makes the Grant Award Acknowledgement available for review on the Application Portal. The Program uses the Award Acknowledgment process to consult with Applicants, review and reaffirm Applicants understand and certify to adhere to Program requirements and accept the Grant Award Acknowledgment. In turn, the Grant Award Acknowledgment provides the Applicant with information about their potential eligible award, award calculation, funding the Applicant must remit, SOW, and the appeals process.

Once the final DOB and award amounts are determined, if an award is issued the Applicant will receive an Award Acknowledgement letter. The letter will indicate the total amount the Applicant is required to remit ("homeowner's responsibility"), which may

include: 1) all DOB, and/or 2) any amount over the Program grant cap. The letter will also provide the total award amount.

Applicants may accept their Award, request consultation, or appeal the determination.

Upon acceptance of the Award Acknowledgment, the Applicant will sign an escrow agreement (if applicable).

### 7.7 Zero-Award Letter

If an Applicant meets all eligibility requirements but has received funding from other sources above the documented need, a zero-award letter is issued stating that the Applicant met the eligibility criteria but did not qualify for an award.

The letter explains that the assistance previously received from other sources exceeds the amount of need. Should the Applicant disagree with the determination, they have the option to file an appeal. Information on how to submit an appeal is provided in the letter.

### 7.8 Provisions of Funding

The Applicant does not receive direct funding of the award. The CM pays contractors directly and the Program reimburses the CM, upon review and approval of invoices, from escrow funds first (if applicable), then from award funds.

### 7.9 Grant Award Acknowledgement Letter

A Grant Award Acknowledgement letter is generated and posted to the Applicant's account and a notification email is sent to the Applicant once the following steps have been successfully completed:

- Application and all supporting documentation are signed and submitted.
- Applicant is determined to be eligible
- DOB analysis is completed
- Environmental review is completed
- Property is inspected, and SOW is determined
- Award amount is determined

The Grant Award Acknowledgement letter provides the Applicant with information about their eligible award amount, any homeowner escrow required to eliminate gaps in funding, award calculation, SOW, and information about the appeals process.

In the Application Portal, the Applicant can opt to accept the award determination, appeal the award determination, or consult with their Case Manager on the calculation of their award amount.

When an Applicant is deemed ineligible, they receive a letter stating the reason and outlining the appeal process.

## 8 Post-Award Closing Process

During the Closing Process, the Applicant will accept the Grant Award Acknowledgement letter, sign the escrow agreement and transfer any escrow funds (if applicable), and sign the contract.

### 8.1 Grant Award Acknowledgment and Escrow Agreement

Applicants must accept their Grant Award Acknowledgment before any grant funds are obligated to the Applicant. The Applicant has 30 days to review and accept their grant award.

If DOB funds and/or additional funds over the grant cap are required, the Applicant must sign an Escrow Agreement with HAPM and supply those funds to the Program managed escrow account before the Applicant can execute a contract with CM and before mitigation can begin. The Case Manager will contact the Applicant and arrange transfer of Applicant's escrow funds. The Program only accepts cashier's checks, certified checks, money orders or wire transfers. Checks must be mailed to:

California Department of Housing and Community Development  
ReCoverCA Housing Programs  
651 Bannon St, Suite 400  
Sacramento, CA 95811

### 8.2 Transfer Escrow Funds

After accepting the Grant Award Acknowledgement and signing the escrow agreement, the Case Manager will contact the Applicant and arrange transfer of Applicant's escrow funds into a third-party account held by the HAPM services vendor. The Applicant is responsible for providing the escrow amount within a reasonable timeframe. Failure to do so could result in a hold status by the Program.

### 8.3 Contract (Agreement)

The purpose of this ReCoverCA Construction Agreement ("Agreement") is to authorize the mitigation of eligible residential structure(s) owned by Applicant pursuant to the California Department of Housing and Community Development ReCoverCA Housing Programs. In the Construction Agreement, the Applicant acknowledges their acceptance of the scope of work, vacate date expectations (if required), Grant Award amounts, and the terms and conditions which identify the Applicant responsibilities and the Construction Manager responsibilities. The Applicant must sign the construction agreement within 7 days of receipt to avoid being administratively withdrawn from the Program.

### 8.4 Notice to Proceed (NTP)

The CM issues a Notice to Proceed (NTP) for Mitigation based on project requirements. The NTP is issued in writing and either mailed or e-mailed to the GC and then uploaded into the Applicant's file. The CM follows the procedures below for issuing an NTP:

Procedures for Issuing an NTP
<p><b>Executed Documents and Agreements</b>            CM verifies with the Case Manager that all Program required agreements and documents have been fully executed and no additional documents are required from the Applicant.</p>
<p><b>CM Prepares NTP Package</b>            NTP Checklist and all supporting documents required for the subject property to ensure a complete package is on file prior to construction.            The CM works with the Applicant to execute the construction contract.</p>
<p><b>Execution of Construction Contract</b>            Construction Contract is executed.</p>
<p><b>CM Verifies the following Administrative Requirements are Complete:</b>            Valid performance and payment bonds, as required, have been submitted to the Program            All insurance policies are active, as required by contract            Environmental review has been approved            Utilities have been properly disconnected and retired, if required            GC has issued construction permits and permitted plans have been submitted to the Program            Applicant and any occupants have moved out and a contents removal plan has been agreed upon between the GC and the Applicant, if required            GC holds all valid Contractor Registrations</p>

### 8.5 Relocation during Mitigation

Moving out of or continuing to live away from the property during m may be required and is the Applicant’s responsibility at their own expense. Exceptions can be made on a case-by-case basis for Applicants only. Tenants may be required to temporarily relocate from the property during construction. The Program can cover certain costs associated with tenant relocation (See Section “Temporary Relocation of Impacted Tenants” below for more details).

## 9 Program Policies

### 9.1 Fair Housing / Civil Rights

HCD follows policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of all Program activities. Such policies and procedures involve a review that includes an assessment of the demographics of the proposed housing project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination.

Programs are required to comply with all relevant fair housing laws, including the federal Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. These laws prohibit discrimination in housing and federally assisted Programs on the bases of race, color, national origin, religion, sex, disability, and familial status. The federal obligation to affirmatively further fair housing stems from the Fair Housing Act. State fair housing

laws, including the California Fair Employment and Housing Act, are also required for Fair Housing compliance.

#### *Section 504 Coordination Complaints and Grievances*

Section 504 of the Rehabilitation Act of 1973 is the anti-discrimination law that protects the rights of qualified individuals with disabilities to equal opportunity in programs and activities which receive federal funds.

It is the policy of HCD, and therefore its contractors or grantees, to fully comply with the requirements of the Americans with Disabilities Act (ADA), the Rehabilitation Act of 1973, and the California Fair Employment and Housing Act (FEHA) and state and federal laws related to the rights of persons with disabilities.

All individuals, a class of individuals, or their representative alleging discrimination have the right to submit a verbal or written complaint or grievance on the basis of the following protected category: race, color, religion, ancestry, physical or mental disability, medical condition, genetic information, sex, sexual orientation, marital status, age, gender, gender identify, gender expression, military status or veteran status regarding services, activities, facilities, or benefits provided by the Program.

Any individual who believes they have been discriminated against by any facet of an HCD program or activity may file a verbal or written complaint or grievance with HCD by contacting HCD's designated Section 504 coordinator at:

California Department of Housing and Community Development  
EEO Office  
651 Bannon Street, Suite 400  
Sacramento CA 95811  
**Attn:** ADA Coordinator  
**Email:** [EEO-Office@hcd.ca.gov](mailto:EEO-Office@hcd.ca.gov)  
**Phone:** (916) 263-3635

#### *Section 3*

For projects that have more than \$200,000 of federal funding for construction activities, Section 3 of the Housing and Urban Development Act of 1968 (Section 3), as amended, requires that economic opportunities generated by CDBG-DR funds be targeted toward Section 3 residents. Section 3 eligible residents are low- and very low-income persons, particularly those who live or reside in public, or government assisted housing. In accordance with Section 3, construction contractors using CDBG funding for housing rehabilitation or to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the project area. Section 3 compliance actions include:

- Prepare and utilize a Section 3 Plan
- Designate a Section 3 Coordinator



- Take affirmative steps to follow the Section 3 Plan and document those efforts
- Include the Section 3 Clause and the Contractor Certification of Efforts to Fully Comply with Employment and Training Provision of Section 3 in any bid packets for contracts on Owner-occupied Wildfire Mitigation Retrofits projects. Notify all bidders that adherence to the State's Section 3 Plan is required for contracts and sub-contracts more than \$100,000

***The CM vendor is responsible for compliance with Section 3, not individual homeowners.***

## 9.2 Duplication of Benefits (DOB)

### *A. Summary of DOB*

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 occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need.

DOB Analysts will perform the first level of review for all potential duplication of benefits (DOB) during preliminary eligibility determinations. As part of this review, the DOB Analyst evaluates all benefits reported by the Applicant during the application collection process for accuracy, coordinates with other organizations to verify benefits received and performs a search of third-party data sources to identify potential DOB that was unreported by the Applicant.

An Applicant's total DOB amount received will impact the Program grant amount available to them. The total DOB amount is deducted from the total cost of mitigation, as determined by the Scope of Work (SOW), which may leave a gap funding amount.

**In accordance with the Stafford Act, the Program will use the following framework to ensure that any funds provided by the Program are non-duplicative:**

- Assess the Applicant's total need for assistance prior to any assistance being provided,
- Identify all assistance received or available,
- Exclude non-duplicative assistance amounts,
- Identify total DOB Amount,
- Determine the maximum eligible award,
- Determine the Program cap (if applicable),
- Determine a Final Program Award.
- Reassess Unmet Need if necessary.



## *B. DOB Process*

The duplication of benefits process involves a two-tiered verification process:

## *C. DOB Analysis*

The initial review is completed by the DOB analyst who confirms all datasets are obtained and reviewed including government (FEMA, SBA), private insurance, legal disaster-related settlements, and any other assistance types.

If the DOB analyst is unable to confirm the total assistance received, the application shall be returned to the Case Manager for Applicant correspondence to request needed documentation, and necessary updates.

After verifying total assistance received, the Analyst will determine whether the Applicant rejected any assistance they were eligible to receive and support their findings with documentation. After the DOB Analyst has confirmed the total assistance received, the analyst submits to the DOB reviewer.

## *D. DOB Review*

The secondary review is completed by the DOB reviewer. Within the secondary review, the DOB reviewer shall perform a review of all assistance types. Additionally, the DOB reviewer is responsible for confirming all assistance has been identified and accurately reflected within the Application Portal. If the DOB reviewer discovers any discrepancies with the supporting documentation from the analyst or additional assistance, the application is returned to the DOB analyst for updates.

## *E. Calculating Total Assistance: Sources of Funding*

Total assistance includes any resources such as cash, grants, and subsidized loans received by or available to an Applicant, including awards under local, state, or federal programs, and from private or nonprofit charity organizations for mitigation activities for their primary residence. At a minimum, each Applicant will include a review of the following assistance types:

### *i. Disaster Recovery Reform Act Funding*

The Disaster Recovery Reform Act (DRRA) authorizes FEMA to provide hazard mitigation funding in areas where Fire Management Assistance Grants are awarded because of wildfire and windstorm disaster mitigation. If funds were received from FEMA to provide hazard mitigation grant funding through the DRRA, these funds are considered a DOB.

### *ii. FEMA*

FEMA Individual Assistance (IA) may have been received by Program Applicants for home repairs. If the assistance received was FEMA IA for home repairs, the amount will be considered a DOB. FEMA IA will be determined and verified by the Program through the FEMA IA NEMIS (National Emergency Management Information System) database.

If the Applicant can document the FEMA IA amount received was for the purpose of home repair, the Program will use the documentation provided by the Applicant to adjust the FEMA IA amount. The documentation provided by the Applicant must come from FEMA and reflect the Applicant's name, damaged property address, and FEMA Registration Number.

### *iii. SBA*

The Small Business Administration provides disaster assistance loans for home repairs. Such loans are considered a DOB for federally funded repair/Mitigation Programs. If the Applicant has executed loan documentation with the SBA and has legal control over the loan funds for home repairs, this amount may be considered a DOB.

The full amount of the SBA loan available to the Applicant for repair/replacement assistance will be included in the DOB calculation unless all or a portion of the loan is declined or cancelled. This is to allow Applicants with open SBA loans or balances to close them and then not include any balances going forward. Often an Applicant may have accepted an SBA loan but not used it or only used a portion that was advanced in hopes of repairing but then stopped because the loan was either insufficient for their needs or debt repayment became a hardship due to delays for additional assistance. Case Managers may need to assist Applicants in contacting the SBA to close their loans that remain open. An SBA loan is considered available to the Applicant when it is accepted, meaning that the borrower has signed a note or other loan document that allows the lender to advance loan proceeds, and has not been subsequently cancelled as provided for in 84 FR 28836 V.B.2(ii).

### *iv. Other Funding*

Any funding received for the same purpose as the grant funding must be disclosed by the Applicant and accounted for and evaluated by the Program for DOB. For example, funding provided by a nonprofit organization to assist Applicants with mitigation measures to their home must be reported in the application process and verified by the Program.

### *v. In-Kind Donations*

In-kind donations are non-cash contributions, such as donations of professional services, use of construction equipment, or contributions of building materials that the Applicant may have received for their mitigation efforts which serve the same needs as the Program Funds. The value of qualified in-kind donations is not counted as a duplicative amount, but rather may be subtracted from the Applicant's total need amount due to those donations lowering the Applicant's unmet need entering the program. Contributions of materials or labor for non-eligible items will not be subtracted from the Applicant's total need.

California Wildfire Mitigation Program (CWMP) is a home hardening initiative to retrofit, harden, and create defensible space for owner occupied homes at high risk to wildfires, focusing on highly-socially vulnerable communities and providing financial assistance for

low-and moderate-income households. The awarded amount verified by the Program for the purpose of supporting mitigation measures are considered a DOB. For more information on the California Wildfire Mitigation Program visit the Program [website](#).

### *Insurance*

Property insurance settlement amounts received or available toward building code upgrades or law and ordinance which could support mitigation measures required by state or local code requirements could be considered a DOB. A homeowner may have purchased this optional coverage that may pay for the additional costs incurred during the reconstruction, demolition, or repair of a damaged covered structure due to changes in laws and regulations.

However, if property insurance benefits are paid in a lump sum, the Applicant must provide documentation that delineates benefits received for building loss, building law and ordinance, building code upgrades, building debris removal, contents and personal property, loss of buildings (detached garage), or other expenses (allowable living expenses), if applicable. This documented amount will then be excluded from DOB calculations.

A Proof of Loss Statement with line-item detail is required to be submitted to the Program, to determine duplicative assistance. It is also determined that the line-item for the “recoverable depreciation allowable” amount in an insurance claim is deducted as a DOB, unless otherwise documented by the homeowner and the insurance company.

Insurance proceeds will be determined and verified by the Program by contacting the insurance company and verifying proceeds. If the Program is unable to obtain a response from the insurance company within three attempts to do so, the Program may consider using the amount self-reported by the Applicant, though all other documentation in the file must support the self-reported amount.

### *F. Availability of Resources Included in Total Assistance*

Federal regulations require the program to consider all funds “available” to Applicants when calculating assistance, not just funds received. The applicable Federal Register Notice (84 FR 28836) states that funds are “available” to an Applicant if they (1) would have received them by acting in a reasonable manner, or in other words, by taking the same practical steps toward funding recovery as would disaster survivors faced with the same situation but not eligible to receive CDBG-DR assistance; or (2) has received the assistance and has legal control over it. Available assistance includes reasonably anticipated assistance that has been awarded and accepted but has not yet been received. Applicants are expected to seek insurance or other assistance to which they are legally entitled and to behave reasonably when negotiating payments to which they may be entitled.

### *G Calculating Total Assistance: Non-Duplicative Assistance*

Not all assistance received by an Applicant is considered a duplication of benefit for housing Mitigation. Therefore, there are types of assistance received by an Applicant

which will not constitute a duplication of benefits, referred to as non-duplicative or exemptions.

Sources Not Considered Duplicative:

- Personal assets: checking or savings, excluding the insurance proceeds and/or disaster assistance for repairs deposited into the Applicant's account.
- Retirement accounts
- Credit cards or lines of credit
- Commercial and/or Private loans
- Temporary housing
- Fire Victim Trust compensation settlement amounts
- Social Services Block Grant (SSBG) funding
- Any other sources considered non-duplicative or for a different purpose as defined by the Program

The Program will allow for reductions of duplication of benefit totals if the Applicant can prove that the use or control of the funds meet certain criteria. Eligible repair exclusion credits will be provided for all documented and properly completed work based on unit pricing and labor costs established by the Program. In accordance with 84 FR 28336, the Program may exclude for duplication of benefits purposes "assistance that was:

- Provided for a different purpose;
- Provided for the same purpose (eligible activity), but for a different, allowable use (cost); available to the Applicant;
- Not A private loan not guaranteed by SBA; or
- Any other asset or line of credit available to the Applicant.

84 FR 28336 also states that declined or cancelled subsidized loans (loans other than private loans) are not a DOB. Each of these categories is further described below.

#### Funds Provided for a Different Purpose:

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., "disaster relief/recovery") and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB. The Federal Register defines three general categories for which homeowners generally receive assistance: (1) replacement housing; (2) repair assistance; or (3) interim (temporary housing) so any funding received for purposes other than those three may not be considered DOB.

#### Funds for the Same Purpose but for a Different Allowable Use

Funds received for the same purpose as funds provided under the Program but used by the Applicant for a different allowable cost may be excluded from the final award calculation. In these circumstances, if the Applicant can document that the funds received were used for a different but eligible use, then the funds are not duplicative. Eligible forms of documentation may include but are not limited to receipts or paid invoices, demonstrating that funding was spent for a different eligible use. The Program will review documentation submitted on a case-by-case basis.

### Funds not Available to the Applicant

Funds that are not available to an Applicant may also be excluded from the final award calculation. Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a nonduplicative purpose. For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the loan balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds.

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

### Private Loans

Unlike SBA loans (or any other subsidized loan or Federal loan guarantee Program that helps after a major disaster or emergency), private loans not guaranteed by SBA need not be considered duplicative assistance. Private loans are loans that are not provided by or guaranteed by a governmental entity, and that require the Applicant to repay the full amount of the loan under typical commercial lending terms. Since private loans are not provided under a government Program, they do not need to be considered as potentially duplicative assistance.

### Other Assets or Lines of Credit

Other assets or lines of credit available to a homeowner or a business owner need not be included in the award calculation. This includes, but is not limited to checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. Please note that these items may be held in the name of an individual or in the name of a business.

### Declined or Cancelled Subsidized Loans

Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the Applicant, meaning the Applicant never signed loan documents to receive the loan proceeds. Declined subsidized loans are not to be included in the calculation of DOB. The Program will attempt to verify declined loan amounts using third-party data or through correspondence from the lender. If the Program cannot ascertain whether the Applicant declined the loan, the loan may still be excluded from DOB calculation if the Applicant provides a written certification stating that the Applicant did not accept the subsidized loan.

Cancelled loans are loans (or portions of loans) 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. The cancelled loan amount is the amount that is no longer available. The loan cancellation may be due to default on the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement. To document that a subsidized loan is cancelled, the Applicant must provide either: written communication

from the lender confirming the loan is cancelled and no longer available to the Applicant; or a legally binding agreement between HCD and the Applicant that indicates the period of availability of the loan has passed and the Applicant agrees not to take actions to reinstate the loan or draw any additional undisbursed loan amounts.

**NOTE: Only the accepted amount of the cancelled loan will be considered a DOB.**

Debris removal

State and local partners have assisted many Applicants with debris removal. This assistance is a cost that is billed to the homeowner. Insurance proceeds received specifically for debris removal are excluded as a duplication of benefits if the lot has already been cleared as determined by the initial inspection. If the homeowner has spent non-insurance proceed DOB to remove debris and can demonstrate the expense via invoice or receipts, and the Program verifies that the work has been completed, the expense of that debris removal will be deducted from the Applicant’s total DOB obligation.

**H Calculating Total Assistance: Other Allowable Uses**

In some cases, when an Applicant can demonstrate that they used disaster assistance funds for a different allowable use, this would allow for an adjustment or exclusion from DOB. Applicants must provide documentation for allowable activities to be excluded from potential duplication of benefit:

<b>No Receipts Provided:</b>	If the Applicant is unable to provide receipts as required in this policy to demonstrate other, allowable disaster related uses of funds already received, the full amount of housing Mitigation assistance previously received must be deducted from the amount of funding for which the Applicant would otherwise be eligible.
<b>Partial Receipts Provided:</b>	If partial receipts are provided by the Applicant documenting that only a portion of the housing mitigation assistance previously received was used as intended, the amount received not supported by receipts must be deducted from the amount of funding for which the Applicant would otherwise be eligible.
<b>All Receipts Provided:</b>	If receipts are provided by the Applicant documenting that the full amount of housing Mitigation assistance previously received was used as intended, and as required in this policy to demonstrate other, allowable disaster related uses of funds already received, no deduction is made from the award amount for which the Applicant is eligible.

Allowable uses include temporary housing costs such as dwelling rent, hotel stays, RV-related expenses associated with dwelling in the RV, and applicable utilities that occurred because of temporary displacement from the primary residence due to the disaster. Eligible temporary displacement is from the time of the event until the date of the verification letter. Evacuation costs are not eligible for duplication of benefits exclusion.

### Repair Costs

Applicants may have begun Mitigating their damaged residence with funding received from insurance, SBA and/or FEMA. Inspections completed by the Program will be used to determine the value of completed repairs which may be used to exclude an Applicant's DOB. Additionally, any qualified temporary stabilization expenses that cannot be verified by a current on-site estimation will be considered on a case-by-case basis with proof of documentation such as receipts.

### Theft, Vandalism, or Contractor Fraud

If an Applicant is a victim of theft, vandalism, or contractor fraud, the amount paid for the materials or for work or to the contractor may be excluded from duplication of benefit if properly documented. The Applicant would have had to have filed a formal complaint with a government authority (e.g., California Contractor's State License Board, a consumer protection agency, or police department) setting forth in detail the cause and amount of fraud in sufficient form to be verifiable and affirmed through enforcement follow-up.

Scenarios that may result in a reduction of DOB include:

<b>Scenarios that may result in a reduction of DOB</b>
The contractor or workers were paid, but no work was performed.
The contractor or workers were paid, but only partial work was performed, and the work was never completed.
The contractor or workers were paid and did perform the work, but it is sub- standard or shoddy and must be corrected.
The homeowner paid the contractor or workers for materials that were never delivered to the home, used in the home, or disappeared from the work site.
The homeowner procured materials that were onsite, and they were stolen from the property by a contractor, workers, or others engaging in theft.
Materials on the worksite were vandalized.
Installed materials (i.e., completed work) were vandalized.
Installed materials may have been stolen from homes.

This procedure is intended to assist homeowners who have experienced any of the scenarios described above or any similar scenario not listed by providing relief related to lost money that would otherwise be considered a duplication of benefit. The homeowner must prove any contractor fraud, bad workmanship, vandalism, or theft. If proven, the homeowner's duplication of benefit can be reduced, and the Program can provide scope to cover the completion of the Applicant's home repairs, 84 FR 28841: IV.E. Reassess Unmet Need When Necessary.

Homeowners will have to prove that they have filed a formal complaint with law enforcement, the California Contractor's Licensing Board, or the Attorney General or that they have filed a civil action in a California court. The intent of the contractor fraud policy and procedure is to consider all relevant evidence a homeowner can provide to



make a reasonable determination of whether the duplication of benefit amount should be reduced. It is a totality of circumstances that will support this justification.

A homeowner’s engagement or indication that he or she will be engaging in litigation related to fraud, workmanship, vandalism, or theft does not preclude the Applicant from obtaining a duplication of benefit reduction. The Applicant will sign a Subrogation agreement at grant execution that requires the Applicant to return any portion of funds that he or she may later receive related exclusively to repairs of the home for which the Program may provide. Therefore, the existence of a lawsuit is not grounds for denying this DOB reduction analysis.

The first step in this process is for the Program to collect some basic information from the homeowner. This information will be filled in on the Contractor Fraud/Theft/Vandalism Example worksheet.

- Name of the contractor(s) or workers to whom funds were paid
- Amount paid to each contractor or worker alleged to have stolen funds, failed to complete work that had been paid for, or completed shoddy work that must be re-done
- If theft or vandalism, the date on which the theft or vandalism of materials/work occurred
- The name of any police department, regulatory agency, or court with which a formal complaint was filed
- The date the formal complaint was filed and the item or case number of the report
- Brief description of the alleged incidents

To demonstrate contractor or builder fraud and/or theft or vandalism for consideration of a duplication of benefit reduction, the Applicant must provide the following:

Type of Fraud/Theft	Criteria/Evidence	Notes
Contractor Fraud	Either a contract with a contractor to perform repairs to the damaged property or evidence of payment(s) made to contractor or builder demonstrating the attempt to mitigate the damaged property as well as proof that the Mitigation was not completed.	Proof of payment can be in the form of cancelled checks, paid invoices, or paid receipts. Bank statements or credit card statements that contain proof of payment through checks or other means of electronic transfer may also be used.
	Evidence that a formal complaint was filed against the contractor or builder accused of fraudulent practices with the proper law enforcement officials or a state regulatory agency or court (civil complaints)	A complaint must have been filed within 1 year of the discovery of the fraudulent activity of the contractor/builder. The Applicant must provide the case or item number or report number and the name of the law enforcement or regulatory agency with which it

		was filed. If a civil action was filed, the Applicant must provide the name of the court where the action was filed and the docket number of the case
Theft/Vandalism	Proof (i.e., paid receipts, photos, filed complaint) that property of the Applicant's damaged home was stolen or vandalized	Proof of payment such as a canceled check, receipts, bank statements or credit card statements is also required.
	Evidence that a formal complaint of theft or vandalism was filed with the proper law enforcement officials or a state regulatory agency or court (civil complaints).	The Applicant will also be expected to provide the case or item number or report number and the name of the law enforcement or regulatory agency with which it was filed.

### I Repayment of Excess DOB

Section 312(b)(1) of the Stafford Act requires the Program to ensure that Applicants agree to repay all duplicative assistance received before, during or after the home is receive Mitigation Retrofits. As part of the Program application and certifications, each Applicant must sign a subrogation agreement agreeing to repay any assistance later received for the same purpose for which the Program funds were provided.

Any assistance determined to be duplicative must be deducted from the Program's calculation of the Applicant's total award prior to issuing an award.

If after the award is made, the Applicant is deemed to have received duplicative assistance over the total award amount (excess DOB), the Applicant will receive a Duplication of Benefit Notification and be required to pay the Program in accordance with the recapture policy See Section 10.4.

Applicants deemed ineligible for failure to resolve excess DOB will be mailed an Ineligibility Determination letter. The Ineligibility Determination letter notifies the Applicant of the reason for ineligibility and outlines the process to appeal the decision.

### J Subrogation – Repayment of Duplicative Assistance

The Applicant and HCD will enter into a Subrogation agreement at acceptance of the Grant Award Acknowledgement which gives HCD the right to collect any additional assistance or insurance payouts the Applicant receives for the applicable disaster related events (DOB) after the Applicant has accepted their Grant Award Acknowledgment and entered a CM contract for Grant funds. All available duplicative funding must be reported to the Program and accounted for, regardless of when it was received by the Applicant.

Upon additional benefits being received, the Program recalculates the award and provides instructions if the Applicant must remit duplicative amounts to the Program.

DOB reviews are conducted again prior to closing out of the project file. Any DOB amount identified during these reviews must be repaid to HCD.

### K Escrow

The amount that is the homeowner's responsibility must be remitted to the Program and placed into a Program-managed escrow account, prior to entering a contract with CM. The funds from the escrow account are disbursed first and once all funds from the account have been fully disbursed, the grant funding is disbursed.

## 10 Program Appeals

Documentation on the appeals process for the Program Award amount is included with each Applicant's Grant Award Acknowledgement, zero award, or ineligibility letter. If an Applicant disagrees with a Program award determination, they may file an appeal within thirty (30) calendar days of the date of the award determination letter or ineligibility letter. Any new information or supporting documentation that was not available at the time of the initial application review must be provided. Applicants must also provide a narrative describing, in detail, the reason(s) they are requesting a review of the appeal. Award appeals are not accepted after the Grant Award Acknowledgement is executed. Once the file reaches award acknowledgment, zero-award determination, or an ineligible status, the Applicant has the option to file an appeal for one of the following reasons:

- Program eligibility;
- Grant award calculation, prior to the acceptance of the Grant Award Acknowledgment;
- Cost estimates for mitigation activities, limited to measurements of the home and/or quantities of materials only; and/or
- Duplication of Benefits (DOB).

Applicants may not appeal policies that have been approved and incorporated by the Program, such as the process for assessing the value of materials eligible within the Program. Also, statutory and regulatory requirements and standards may not be appealed.

Resolution of Program appeals are handled by conducting a thorough full file review of documentation provided to support appeal reason(s), and careful implementation of Program policies. This full file review may result in positive or negative changes to the eligibility status or an increase or decrease in the previous award amount.

All Appeal Review Requests must be submitted in writing in one of two ways:

By Application Portal: Select the "Appeal" option on the Application Portal Award Acknowledgement screen

1. Neighborly Login
2. By U.S. Mail:

California Department of Housing and Community Development  
 ReCoverCA Housing Programs  
 651 Bannon St, Suite 400  
 Sacramento CA 95811

An appeal determination letter will be emailed to the Applicant after complete review of the file and supporting documentation within thirty (30) days. For requests that require additional levels of review and additional time, the Applicant will receive a notification of extension and estimated timeframe. Notices will also be sent via phone call, email and/or the Application Portal. 10.2 Exceptions Panel.

The HCD Exceptions Panel (Exceptions Panel) is responsible for reviewing Applicant eligibility and exceptions in accordance with the approved HCD Exceptions and Eligibility Policy and Form. Program and eligibility determinations can be requested by Program staff (e.g., Case Management, Construction Management, etc.) and members of HCD staff, when necessary. The Exceptions Panel shall convene biweekly or monthly to review issues and recommendations submitted by Program staff. Determinations made by the Exceptions Panel shall be presented to the HCD Housing Programs, Disaster Recovery Branch Section Manager for final approval or denial.

The Exceptions Panel is responsible for addressing the following:

<b>Eligibility issues</b>	On a case-by-case basis, the Exceptions Panel will make eligibility determinations when Policies & Procedures do not clearly describe how to proceed with an Applicant's file.
<b>Implementation issues</b>	The Exceptions Panel will develop Program clarifications and/or guidance when implementation issues arise.

The Exceptions Panel does not replace the Appeals Process. In cases where a determination made by the Exceptions Panel requires a change to the Program's Policies and Procedures, an interim policy guidance memorandum or policy manual revision will be created.

### 10.3 Construction Grievances

Applicants may submit grievances with the contractor for work that does not meet the terms of the established homebuilding contractor standards and workmanship. The Applicants can present their grievance to the Program and HCD to contest the work that is being or has been performed.

Grievances must be submitted in writing, which may include mail, fax and/or email. The mailing address is listed below:

Department of Housing and Community Development  
CDBG-DR Program - Construction Grievances  
P.O. Box 952054  
Sacramento, CA 94252-2054  
Attn: ReCoverCA Housing Programs Manager, Suite 200

To be valid, the grievance must:

- Be filed in writing,
- Be relevant to the approved SOW, and
- Provide a detailed explanation of the grievance and its basis.

#### 10.4 Grant Recapture Policy (Subrogation)

To address any potential future Duplication of Benefits (DOB), Applicants must, as a requirement for participating in this Program, agree to enter into a signed Subrogation agreement to repay any assistance later received for the same purpose as the Program funds. If, after an award, a reassessment of need occurs and the Applicant receives an increased award, then the Applicant shall be required to sign a revised Subrogation agreement to repay any assistance later received for the same purpose as the Program funds.

An Applicant may be required to repay all, or a portion of the assistance received from the Program.

The reasons for grant recapture include, but are not limited to:

- Providing false or misleading information to the Program.
- Withdraw from the Program prior to completion of the project. An Applicant's Withdraw from the program must be in writing or email and a new application will be required if the Applicant wishes to participate again, provided the application period is still open.
- Mitigation is not completed due to non-cooperation by homeowner(s).
- Non-compliance with the approved SOW in a manner that would make the property ineligible .
- Failure to report the receipt of additional assistance received for the same purpose as the Program funds (DOB).

#### 10.5 Anti-Fraud, Waste, and Abuse

During the application process, Applicant(s) sign a fraud acknowledgement statement, asserting and affirming under penalty of perjury that all information in their application, as well as documents provided and executed in conjunction with the Program are true to the best of their knowledge. Further, Applicant(s) acknowledge that they may be prosecuted by Federal, State and/or local authorities in the event of false, misleading and/or incomplete statements and/or documents. Applicant(s) agree to repay Program funds in the event Applicant(s) make or file false, misleading and/or incomplete statements and/or documents.

The Program has established procedures for verifying the accuracy of information provided by Program Applicants. Internal processing steps are taken to identify discrepancies in information provided by third parties that may be indicative of fraud, waste, and abuse. These steps are conducted systematically, utilizing standardized research methodologies and flag identification processes for consistency and equitable treatment across relevant sources.

The Program also verifies the accuracy of information provided by its vendors. As part of the state procurement process, contractors are required to complete a vendor background questionnaire and to report pertinent information relating to the contractor and/or its key personnel. Prior to contract execution, company background checks are conducted, and channels are established with other agencies to verify and validate those that will be providing services on behalf of the program. Processing steps including multiple levels of quality assurance and quality control reviews are conducted to validate vendor provided application information used in an Applicant's eligibility and award determination as well as during the mitigation process.

The fraud acknowledgement signed by Applicant(s) during the application process includes a notice of the danger of fraud and scams perpetrated by unscrupulous individuals, contractors, and businesses. Anyone wishing to report suspicious or fraudulent activity may contact the program via email at [ReCoverCA@hcd.ca.gov](mailto:ReCoverCA@hcd.ca.gov) or via phone at (916) 202-1764.

Applicants who are victims of theft, vandalism, or contractor fraud will also need to file a formal complaint with a government authority such as a law enforcement agency, the California Contractor's Licensing Board, or the Attorney General. Additionally, a civil action filed in a California court detailing the cause and amount of fraud in sufficient form can suffice and may be reviewed by HCD when making a final determination of consideration for unmet needs assistance.

The Program has procedures in place to address a homeowner's unmet assistance needs because of fraud, waste, or abuse by a contractor. If proven, the homeowner's Duplication of Benefit can be reduced, and the Program can provide scope to cover the Applicant's unmet needs to complete home repairs.

As per 87 FR 6364, Program staff have an obligation to promptly report misconduct, fraud, waste, abuse, or mismanagement directly to the Office of Inspector General (OIG) in the administration of, or participation in, disaster recovery programs. This includes irregularities, misrepresentations, and bribery overtures (attempts or solicitations included).

#### 10.6 Referral to HUD Inspector General

Program staff have an obligation to promptly report misconduct, fraud, waste, abuse, or mismanagement directly to the Office of Inspector General (OIG) in the administration of, or participation in, disaster recovery Programs. This includes irregularities, misrepresentations, and bribery overtures (attempts or solicitations included).

Program staff must also refer cases to OIG when they have questions about the truthfulness or accuracy of any application or supporting documentation, data, or information (including tax return information) provided by Applicants and/or Applicants' representatives, during participation in the Program.

### 10.7 Temporary Relocation of Impacted Tenants

The Program is voluntary and not subject to the Uniform Relocation Act (URA) requirements for Homeowners. However, URA would be applicable to tenants that currently occupy a property at the time the Homeowner has applied for the Program. Displacement due to a disaster does not trigger URA so if there were tenants that were displaced by the disaster, URA is not applicable to those tenants. However, if a property awarded funding through the Program has a tenant(s) currently present and legally occupying, the tenant(s) might meet the URA definition of "displaced" and be entitled to receive temporary URA Relocation benefits.

Reimbursement is available for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation of eligible tenants, including the cost of moving to and from temporarily occupied housing and any increase in monthly rent or utility costs at temporary housing. These costs will be reviewed for cost reasonableness and initially be paid by the Uniform Relocation vendor procured by HCD.

## 11 Records Management

As outlined in the CDBG-DR Grants Administration Manual, records are maintained in accordance with 24 C.F.R. part 570.490, in reference to 2 C.F.R. part 200. Records are kept to document compliance with Program requirements, with federal, state, and local regulations, and to facilitate audit review by HUD. CDBG-DR records, including Program documents, are subject to the Freedom of Information Act (FOIA) and California Public Records Act (PRA).

### 11.1 Administrative Records

Administrative records, kept in electronic format, are files that apply to the overall administration of the CDBG-DR funded Program. They include the following:

- Personnel file;
- Property management files;
- General Program files;
- Legal files;
- Financial records; and
- Project/Applicant files

### 11.2 Recordkeeping

HCD maintains Program and project-related documents, including financial records, supporting documents, statistical records, and other pertinent records. These records are maintained for a minimum period of five years from the closeout of HUD's grant with



HCD. All subgrantees and contractors for the Program are also subject to this policy and all financial and Program files are maintained accordingly. Records are maintained to document compliance with Program requirements and federal, state, and local regulations and to facilitate an audit review by HUD.

Records are maintained in accordance with 24 C.F.R. part 570.3, which states they must be maintained for a period of 5 years following the closeout of HUD's grant with the state. Proper records management ensures that:

- The state complies with all requirements concerning records and records management practices under Federal and state regulations.
- The state has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements and community expectations.
- These records are managed efficiently and can be easily accessed and used for as long as they are required; and
- These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules, and HUD Handbook 2228.2.

### 11.3 Applicant Files

All Applicant files are maintained for the duration of five years after HCD's grant closeout with HUD, within the Application Portal.

Applicants are subject to audit and further review throughout their participation in the Program and up to five years after project completion. Applicants must provide additional documentation in support of their applications as requested by the State, its representatives or agents, HUD, HUD OIG, or the California Legislative Auditor. Failure to comply with these requests may result in recapture of funds.

## 12 Definitions

**Affirmatively Furthering Fair Housing (AFFH)** - A legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid Program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. Additionally, the Program follows California AFFH rules as applicable per California Government Code 65583 and 65583.2; and Division 1 of Title 2, Chapter 15, section 8899.50.

**Applicant** - An owner-occupant(s) or single-family landlord who owns a property in Plumas County and has applied for mitigation assistance.

**Area Median Income (AMI)** - Calculated annual limits based on HUD-estimated median household income with adjustments based on household size used for demonstrating low-to moderate income beneficiaries in the Programs.

**California Department of Forestry and Fire Protection (CAL Fire)** – the department responsible for fire protection throughout California as well as various other emergency services in 36 of the State's 58 counties.

**California Environmental Quality Act (CEQA)** – Requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible.

**Co-Applicant** - An adult co-owner of the property. A Co-Applicant must also be a household member and the property must be their primary residence. Co-Applicants have decision-making authority over the Program's application.

**Construction Manager (CM)** - Refers to the Full-service Construction Management and Delivery Services vendor procured by the Program.

**Defensible Space** – an area around a structure, up to 100 feet, where flammable vegetation is modified and maintained to slow or halt the spread of wildfire.

**Disability** - For the purposes of the Program, consistent with federal law under the Social Security Act, as amended, 42 U.S.C. § 423(d), The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12102(1)-(3), and in accordance with HUD regulations at 24 C.F.R. §§5.403, 891.505.

**Environmental Review** - All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws.

**Estimated Cost of Repair (ECR)** – an initial line-item estimate of the cost to repair an Applicant's property, or to reconstruct the property if necessary.

**Federal Register** - The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each appropriation of disaster funding.

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

- “100-year floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain” — the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

**Foreclosure** - The action of taking possession of a mortgaged property when the mortgagor fails to keep up with their mortgage payments.

**Fraud** - An illegal act (the intentional wrongdoing), the concealment of this act, and the deriving of a benefit (converting the gains to cash or another valuable commodity).

Legally, fraud can lead to a variety of criminal charges including theft, embezzlement, and larceny – each with its own specific legal definition and required criteria that can result in severe penalties and a criminal record.

**Grant Award Acknowledgment (Award Acknowledgement)** - final step in the application process where the homeowner reviews their award amount and calculation and then can either accept the amount and reaffirm their understanding and certification of compliance with all provisions of the award funding or, reject the and request to appeal their grant award amount.

**Green Building Standards** – guidelines for creating structures and using processes that are environmentally responsible and resource-efficient throughout a building’s lifecycle from siting to design, construction, operation, maintenance, renovation, and demolition. The goal of green building standards is to make efficient use of land, materials, energy, and water while generating minimal waste and providing a healthy indoor environment for occupants.

**Home Hardening** – Rehabilitation that addresses the most vulnerable components of a home with building materials and installation techniques that increase resistance to heat, flames, and embers.

**Household** - A household is defined as all persons occupying the same housing unit as their primary residence, regardless of their relationship to each other.

**HCD** - California Department of Housing and Community Development

**HUD** - (U.S. Department of Housing and Urban Development) - A Federal agency providing a variety of resources that can help state and local governments and other HUD-funded departments, agencies, or organizations prepare for and recover from disasters. For some Presidentially declared disasters, Congress may make an appropriation via the CDBG-DR Program, which provides funding to State, Tribal, and local entities for housing, economic development, infrastructure, public services, planning, resilience, and mitigation Programs and projects.

**Income** - Annual household income as defined by the Internal Revenue Service Adjusted Gross Income.

**Initial Home Inspection** - A noninvasive, visual examination of the physical structure and systems of a home.

**Lead-Based Paint** - Paint or other surface coatings that contain lead equal to or more than 1.0 milligrams per square centimeter or more than .05 percent by weight.

**Low to Moderate Income (LMI) Household** - A household is low or moderate income if the household income (including income derived from assets) is at or below 80 percent of an area's median income (AMI). All income is based on the Area Median Income limits set annually by HUD for each county or metropolitan statistical area.

**Low to Moderate Income (LMI) National Objective** - Activities that benefit households with income that does not exceed 80 percent of the area median income:

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

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

**Mitigation** – the implementation of various measures designed to minimize the destructive effects a wildfire has on property. Some measures are designed to modify the defensible area surrounding a home that puts the structure at risk from destruction by wildfire.

**Mobile home** - A mobile home is a factory-built home that was built before June 15, 1976, and not built to a uniform construction code.

**Modified Adjusted Gross Income (AGI)** – The annual income resulting from the recalculation of AGI (Line 11 of the Form 1040) by not counting negative income or losses reported Schedule 1, Part 1 Additional Income on the Applicant's Internal Revenue Service (IRS) Form 1040 Tax Return, alternatively, the Program will use zero ("0") for any negative income or losses.

**Most Impacted and Distressed (MID)** - HUD-defined areas of greatest impact from a disaster. The most impacted and distressed areas as defined in the Federal Register Notices governing the appropriations funding this Program from the DR-4344 and DR-4353 disasters are Sonoma and Ventura counties, and the following zip codes: 95470, 95901, 94558, 95422 and 93108. The most impacted and distressed areas from the DR-4382 and DR-4407 disasters are Shasta, Lake, Butte, Los Angeles, and Ventura counties.

**National Environmental Policy Act (NEPA)** - Establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of

government consider the environment prior to undertaking any major federal action that could significantly affect the environment.

**National Objective** - the authorizing statute of the HUD CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are:

- Benefit to low- and moderate-income persons.
- Aid in the prevention or elimination of slum or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

**Owner-Occupant** – A person meeting criteria of having an ownership interest in a property while also occupying that same property as their primary residence.

**Primary Residence** - The owner’s principal place of residence, not a secondary or vacation home.

**Property Ownership** - Holding an instrument, including a deed, mortgage, or other agreement that has been recorded with the county, city, or appropriate local authority.

**Scope of Work (SOW)** - A documented line item by line-item estimate of the necessary mitigation work observed during an onsite visit to a homeowner’s property that quantifies the materials and labor necessary to harden the property. The SOW is completed by the Construction Manager (CM) during the design process of Applicant homes.

**Second Home** - A second home is defined as a home that is not the primary residence of the owner.

**Standard Grade Building Materials** – non-customized materials that meet building code requirements.

**Stick-built Home** - A home that has been built on-site using traditional construction materials and methods and that is connected to the required utilities, including plumbing, heating, and electrical systems contained therein. The structure must be designed for occupancy as a principle residence by a single-family.

**Subrogation** - Repayment of duplicative assistance. In the context of a disaster recovery grant, a homeowner must enter into a Subrogation agreement where the funding agency (HCD) obtains the right to collect any additional disaster recovery funding, insurance payouts, or other funding determined to be duplicate assistance that the homeowner receives for disaster damages after HCD has expended disaster recovery funds for the benefit of the homeowner.

**Tenant** – a person or persons renting and inhabiting a room or a dwelling unit from a property owner.

**Tier I Environmental Review** - A broad evaluation encompassing geographical areas or neighborhoods often with similar environmental characteristics.

**Tier II Environmental Review** - An evaluation conducted of site-specific conditions to determine if the proposed construction action has a significant impact on the environment based on Review Topics from 24 C.F.R. part 58.

**Uniform Relocation Act (URA)** - The Uniform Relocation and Real Property Acquisition Policies Act of 1970 (URA) is a federal law that establishes minimum standards for

federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

**Urgent Need National Objective** - Represents an urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent (typically within 18 months), and the recipient cannot finance the activities on their own because other funding sources are not available.

**Wildfire Mitigation** – the implementation of various measures aimed at reducing loss of life and property, lessen the impact of potential wildfires, and make vulnerable elements more fire resistant.

**Wildland-Urban Interface (WUI) Area** - Geographical area identified by the state as a “Fire Hazard Severity Zone” or designated to be at a significant risk from wildfires where structures and other human development meets or intermingles with wildland or vegetative fuels.

**Wildland-Urban Interface Area Building Codes** - Building codes applicable in WUI areas that are specifically designed to mitigate the risks from wildfire to life and property. The standards within a WUI area building code vary according to the scope that a community is willing to adopt and enforce. WUI area building code may include the following topics:

**Work Order** – Refers to the assignment of a file to Construction Management to begin Preconstruction Activities.