



ReCoverCA Housing Programs - Owner-Occupied Wildfire Mitigation Retrofits Policies and Procedures

Subject: ReCoverCA Housing Programs - Owner-Occupied Wildfire Mitigation Retrofits
Community Development Block Grant - Disaster Recovery (CDBG-DR)

Overview:

1. Purpose: To establish the policies and procedures for the administration of the 2020 Wildfire Mitigation Retrofits Program.
2. Applies to: All HCD employees, individuals and organizations representing HCD while administering the 2020 Wildfire Mitigation Retrofits Program.
3. Originator: ReCoverCA Housing Programs CDBG-Disaster Recovery Branch Housing Section Division of Financial Assistance – Federal Program

Version	Approved By	Effective Date
1.0		

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 a latest 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

Version Number	Date Revised	Key Revisions
v1	9.13.2023	Initial Draft
v1.1	9.29.2023	Updates made to: CWPM funding language, income, naming conventions, and the removal of lien language.

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Section 1: Program Overview

In response to the wildfires that occurred between August 14, 2020 - September 26, 2020 (DR4558), and September 4th, 2020 - November 17, 2020 (DR-4569), The U.S. Department of Housing and Urban Development allocated a combined total of \$231,203,000 to the State of California. The allocation includes \$201,046,000 for disaster recovery activities and \$30,157,000 for mitigation activities. To address the State's Wildfire Mitigation needs, The California Department of Housing and Community Development (HCD) developed the ReCoverCA Owner Occupied Owner-Occupied Wildfire Mitigation Retrofits to serve low- to moderate-income (LMI) households adding Wildfire Mitigation to their homes that are in the Department of Housing and Urban Development (HUD) identified Most Impacted and Distressed (MID) counties. The focus of the program is to apply Wildfire Mitigation measures to increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

Section 2: Program Description

The Program aids eligible homeowners of owner-occupied residential structures to incorporate 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 2020 Mitigation Program will fully launch in Fall of 2023 and will remain operational until the end of the grant term as determined by HUD (six years), until all funds allocated to the Program are exhausted, or until all homeowners eligible for assistance have been assisted, whichever comes first.

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 Program activities will meet the LMI housing national objective.

2.3 Eligible Counties

To be eligible for the Program, properties must be in HUD- or State-Identified Most Impacted and Distressed (MID) counties as shown below ("Eligible Area"). Homeowners/properties that have received funding from the California Wildfire Mitigation Program (CWMP) are not eligible to receive assistance from this Program.

Eligible County or Zip Code	HUD or State MID
Butte	HUD MID
Napa County	State MID
Santa Cruz	HUD MID
Los Angeles	HUD MID
Siskiyou	HUD MID
Sonoma County	State MID
Solano County	State MID

Fresno County	State MID
Shasta County	State MID

Table 1: Eligible Counties

2.4 Maximum Award

The maximum award is \$50,000 per Household.

The Program understands that the maximum award may not allow for all necessary Wildfire 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 associated with the Defensible Space of a home and Home Hardening. 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 Wildfire Mitigation items or the maximum award of \$50,000 is reached.

Level Importance Items:	1	<ul style="list-style-type: none"> • Pea Gravel under Home and decks/porches, if necessary, over weed prevention barrier and extend 5ft around home with no planted vegetation • Fire resistant skirting around home plus trim and paint • Enclose underside of elevated porches/decks with metal mesh ember resistant skirting • Fire retardant paint type application to porches/decks • Stump grinding • Hazardous tree removal • Defensible Space landscaping within zones "0" and zone"1"
Level Importance Items:	2	<ul style="list-style-type: none"> • Enclose soffits and fascia with fire resistant material such as fiber cement material (including screens and flame/ember resistant strip vents) • Install metal gutters with gutter guards • Fiber cement exterior siding plus trim and paint • Roofing with Class A asphalt shingles, with underlayment, ridge vent, drip edge, flashing, ember-resistant exhaust caps for roof penetrations
Level Importance Items:	3	<ul style="list-style-type: none"> • Install metal exterior doors • Install metal garage doors • Install dual paned windows (one pane tempered glass) with screens

2.5 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 preform 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.

Section 3: Eligibility Criteria

3.1 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.

a. Applicant Eligibility

Eligible Applicants include those whose primary residence is in one of the eligible areas as outlined in **Section 2.3 Eligible Counties** of these Program Policies and Procedures.

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

Basic Eligibility Criteria	
Public	Benefit 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.
Ownership	and Occupancy Applicant must demonstrate they had ownership/ownership interest and occupied the damaged home as their primary residence at the time of the qualifying disaster (Second Homes, vacation homes, and rental properties are not eligible for assistance under the Program).
Property	Tax Status Applicant must be current on property taxes or have an approved payment plan or tax exemption.
Authority	to Apply to Program Applicant(s) must have legal authority to complete an application, provide certifications and accept their Grant Award Acknowledgment and Loan Agreement, if applicable. <i>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.</i>
Access	to Property Applicant must allow access to the damaged property for all necessary Program staff.
Income	Applicant household income may not exceed 120% of Area Median Income. 80% of Program funding will go to assisting LMI Applicants. Only 20% of Program funding may go to non-LMI

Applicants. Program assistance to non-LMI Applicants will end once the 20% funding limit has been reached.

b. Co-Applicants

All property owners who will be living on the property must be designated as Co-Applicants on the application. If the Applicant wishes to exclude property owners from the Application, the excluded owner 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 Co-Owner Consent Form.

c. Property Eligibility

The following property types are eligible for participation in the Owner-Occupied Wildfire Mitigation Retrofits Program.

- Property must be in an eligible area of a MID county.
- Property is correctly permitted and permissible for the zoning area or local development standard.
- Property must be a single-family dwelling, such as a stick built, manufactured home, or mobile home (i.e., not a condominium, duplex, fourplex, or another multi owner property).
- If there are multiple single-family dwellings on the same property and owned and occupied by different people with a current land lease agreement, then the property being applied for would apply under property eligibility Program criteria.

d. Income Eligibility

In compliance with HUD's National Objective, at least 70% of approved applicant households must be low-to-moderate income (LMI) with a total household annual gross income that does not exceed 80% of Area Median Income (AMI), adjusted for family size, as published annually by HUD. Applicants 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.

Income levels are categorized as follows:

Income Level Category	Household Annual Income Level
Extremely Low Income (ELI)	Up to 30% AMI
Very Low Income (VLI)	Between 31% and 50% LMI
Low Income (LI)	Between 51% and 80% AMI
Moderate Income (MIL)	Between 81% and 120% AMI

All household members, if required to file, must provide a copy of their most recent tax return or tax return transcript for the Program to calculate the total Modified Adjusted Gross Income (AGI)

("Modified AGI"). 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 damaged home.

The Program establishes (LMI) status by using Modified AGI of each person at the time assistance is provided for the individual, family, or 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 included in the Modified AGI calculation, if required to file, must provide a copy of their previous year's filed tax return or tax return transcript, if available, 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
Wages	<ul style="list-style-type: none"> • 3 paystubs from the most recent 90-day period prior to the date of application; they do not need to be consecutive unless the pay frequency is monthly.
Self-employment/ Business Income	<ul style="list-style-type: none"> • Current year profit and loss statement
Taxable Dividend and Interest Income (including amounts received by, or on behalf of minors)	<ul style="list-style-type: none"> • Most recent statement; or • Prior year 1099
Unemployment Benefits	<ul style="list-style-type: none"> • Current benefit letter with gross benefit amount
Social Security and Supplemental Security Income (SSI)	<ul style="list-style-type: none"> • Current Social Security Benefits letter (including benefits paid to minors)
Trust	
Retirement (Pension, IRA, 401(k), Annuity)	<ul style="list-style-type: none"> • Current pension/retirement benefit letter (if applicable) or prior year 1099; • Current Annuity payment letter (if applicable) or prior year 1099

Rental Income	<ul style="list-style-type: none"> • Current lease agreement(s)
Court Ordered Alimony/Spousal Maintenance	<ul style="list-style-type: none"> • Copy of court order documentation

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

Special Circumstances related to Household Income	
Household Member has either no obligation to file a tax return, has not yet filed, or has an extension: The household member is required to submit current documentation that reflects their current income. Acceptable forms of documentation can be found in the table below in the “Required Documents” subsection.	
Household Income has changed since most recent filed tax return: 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 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.	
Applicant did not accept Grant Award Acknowledgement within 12 months: Applicant will be required to recertify their income, via the Income Recertification Form.	
Household Members with Zero Income:	Applicant will be required to complete the Zero Income Certification.
Applicant expects to receive income from new sources: Applicant must report income from other sources as part of the income eligibility review.	
Applicant is receiving financial assistance from a family member: Applicant must provide a signed Verification of Recurring Cash Contributions, and supporting documentation of the recurring contributions are required.	

II. Calculating AGI and Annual Income

The Program determines the Applicant’s household income status by applying a modified definition of Adjusted Gross Income (“Modified AGI”) of each person at the time assistance is provided for the individual, family, or household (as applicable). 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 recalculate the AGI using zero for Schedule 1, Part 1 income.

There may be situations where a household member may have had no obligation to file a return, have not yet filed it, or filed an extension. If a household member does not provide their most recent tax return or does not file taxes, they will submit acceptable documentation (shown in the table below) and the Case Manager will then perform an income calculation using the acceptable supporting income documentation. The income calculation is used only when the household member did not provide their most recent tax return. The Program uses the income calculation and compares it to the HUD Income limits for the household size and in the county where the damaged property is in order to determine the household income level. I

The Program collects one or more of the following supporting documents, as applicable per household member, to calculate the household member’s annual income only when a tax return is not provided:

Income Source	Form of documentation
Wages	3 paystubs from the most recent 90-day period, they do not need to be consecutive unless the pay frequency is monthly.
Social Security	Current Social Security Benefits letter (including benefits paid to minors)
Pension/Retirement/ IRA Distribution	Current Pension/Retirement Benefit letter (if applicable), or prior year 1099
Annuity	Current Annuity Payment letter (if applicable), or prior year 1099
Self-Employment /Business Income	Current year profit and loss statement
Rental	Current lease agreement(s)
Unemployment Benefits	Current benefit letter with gross benefit amount.
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
Trust Income	Most recent IRS 1041 form (U.S. Income Tax Return for Estates and Trusts)

The Program will consider any income affiliated with a business (i.e.: ownership of a nonprofit or for-profit business) to be personal income and will include it in the income projection.

Certification Forms

Additionally, Applicants must complete and submit the Program's Income Certification Form. This form will be filled out by the Primary Applicant and record the income information and income sources for the entire household.

The Zero Income Certification Form is needed if an Applicant or household member does not have an income. The Applicant or household member will need to complete the Zero Income Certification Form which is inclusive of the Zero Income Narrative. The Program requires the Zero Income Narrative which will outline how the Applicant or household member will meet their living expenses. Additional documentation may be requested during future HUD or OIG audits to establish income. If an Applicant refuses to or is unable to substantiate a Zero Income Narrative to the Program's satisfaction, will be issued a 30-day Notice to Respond with the required missing information. If the Applicant fails to provide adequate documentation, they will be notified of Ineligibility. If needed, the Case Manager assigned to the account can assist with the Zero Income Narrative and the household member would still be required to sign the Zero Income Certification Form verifying all information provided is true and complete.

ReCoverCA Housing Programs require that income sources be verified and documented. Applicants' household income must be recertified every 12 months. If the household's income was certified by the Program and 12 months has passed, then an Income Recertification Form must be completed. If the household's income has changed significantly since the last time the Program reviewed it, a new Income Certification Form is required.

Income eligibility is verified at the time of application for Program eligibility and is valid for twelve (12) months from that date. If the Applicant does not receive and accept their Grant Award Acknowledgement within twelve (12) months of the income eligibility verification date, the household income must be recalculated by the Program. Income documents used in an Applicant's income determination may not be older than one year from the date of the determination.

The Program reserves the right, in its sole discretion, to require additional documentation to substantiate LMI determinations, including zero income certifications. Not filing tax returns is not sufficient evidence of zero income since property owners must pay property taxes and general costs of living.

1. III. IV. Income Determination

After receiving all required documents, the Program will make a final income determination which will be recorded in the Application Portal. 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. Applications will be assigned to the appropriate prioritization tiers according to income calculation and determination.

HUD's income limits are published on their website found at the following link:

<https://www.huduser.gov/portal/datasets/il.html>.

3.2 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. The Program will review all Applicant and co-Applicant documents to ensure addresses match the property address to confirm primary residency.

Eligibility Requirement:	Required Document(s), as applicable:	Applies to:
Public Benefit	<ul style="list-style-type: none"> • FEMA Award Letter • SBA Award Letter • Passport • Birth Certificate 	<ul style="list-style-type: none"> • Applicants
Income	<ul style="list-style-type: none"> • Most recent IRS 1040 tax return or tax return transcript, if tax return or transcript is not available, please request one of the following if it applies to the household: <ul style="list-style-type: none"> • 3 paystubs from the most recent 90-day period; do not need to be consecutive unless pay frequency is monthly • 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: <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> Applicants • Co-Applicants • Household Members over age 18
Ownership: Stick-Built Homes	<ul style="list-style-type: none"> • Property tax bill (County or State); • Deed; • Title report; or • Court order affidavit/succession. • SBA loan approval for disaster victims or a recent mortgage statement. 	<ul style="list-style-type: none"> • Applicants
Ownership: MHUs/Mobile	<ul style="list-style-type: none"> • Certificate of Title from HCD; • County tax assessment for the structure; 	<ul style="list-style-type: none"> • Applicants

homes	<ul style="list-style-type: none"> Recorded lease agreement Bill of Sale and proof of payment if private sale 	
Primary Residence	<ul style="list-style-type: none"> Property tax exemption; IRS 1040 tax returns; Voter registration card; FEMA (IA) award letter; or SBA award letter 	<ul style="list-style-type: none"> Applicants
Occupancy	<ul style="list-style-type: none"> In the absence of the primary residence homeowner property tax exemptions, FEMA or SBA approval letters or filed federal returns, the Program may accept one or more of the following documentations to verify the Applicant occupied the damaged property at the time of the disaster. Voter registration records submitted together with driver's license. Valid driver's license from time of disaster with damaged address listed accompanied by a copy of a bank statement or a credit card statement sent to damaged residence in the month preceding or month of the applicable disaster Copy of Applicant's insurance policy covering the contents or personal property in the home. The documentation must confirm insurance coverage was effective at the time of the disaster. Copy of electric, gas, cable, or cell phone bill. The bill must confirm that service was provided in the month preceding or the month of the applicable disaster. The utility bill mailing address must match the disaster effected address and the address at which utilities are provided. Letter from electric, gas, cable, or cell phone company. The letter must confirm that service was provided in the month preceding or month of the applicable disaster. <p><i>NOTE: incidental services such as propane tank bills are not considered utility bills and may not be used to establish occupancy.</i></p>	<ul style="list-style-type: none"> Applicants
Proof of Current Property Tax	<ul style="list-style-type: none"> Paid property tax bill; Property tax deferral; Property tax exemption; or Property tax payment plan 	<ul style="list-style-type: none"> Applicants Co-Applicants
Duplication of Benefits (DOB)	<ul style="list-style-type: none"> Proof of any other funding that may have been given/used for home hardening and/or mitigation measures. 	<ul style="list-style-type: none"> Applicants Co-applicants

Table 2: Required Eligibility Documents

3.3 Ownership

a. Ownership Requirements

The Applicant must be the current owner of the property. The Program establishes ownership by matching the owner's name on the application with property tax records. 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.

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 affected property if the Applicant qualifies to receive assistance. Co-owners who do not reside in the property as their primary residence do not need to be Co-Applicants as they do not meet the Program's definition of a Household Member.

b. Special Circumstances Related to Type of Ownership

II. 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:
Trust Agreement	<ul style="list-style-type: none">Name of TrustTIN, EIN, or SNN	<ul style="list-style-type: none">Applicant(s)Co-Applicant(s)
	<ul style="list-style-type: none">Complete Trust AgreementDate of Trust CreationDate of Amendment(s)Property Address	<ul style="list-style-type: none">Co-Owner(s)Trustor(s)Grantor(s)Trustee(s)

Table 3: Documents Required for Properties Held in Trust

V. Foreclosure Applicants whose homes are in foreclosure are not eligible for the Program.

VI. Death of an eligible Applicant

When the Program is notified of the passing of an Applicant, the Case Manager will collaborate 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 Wildfire Mitigation activities stop, the CM will immediately weatherize the property in a manner that protects the property, preserves any partially completed work, and avoids any adverse effects of stopping construction 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:

- Death prior to Grant Award Acknowledgment: If an eligible owner-occupant passes away prior to the acceptance of the Grant Award Acknowledgment, their heirs who are and can prove current ownership are encouraged to apply to the Program.
- Death after accepting Grant Award Amount Acknowledgment: If an eligible owner occupant passes away after the acceptance of the Grant Award Acknowledgment, Wildfire Mitigation activities will continue while the Program determines successor ownership and updates the Application and Grant Award Acknowledgment by adding the successor(s).

The Executor or Administrator of the Estate can qualify to receive grant funds to complete Wildfire Mitigation activities on the home. No additional occupancy test will be required for eligibility.

All disbursement and construction activities will continue while the Program verifies and/or completes the following:

- Receipt of the death certificate confirming that the death of the Applicant occurred after acceptance of the Grant Award Acknowledgment.
- Receipt of a court order providing the name of the approved Executor or Administrator of the Estate of the deceased Applicant.
- Amend the existing application to add the name of the Executor or Administrator 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.
- Death after Wildfire Mitigation activities is complete: If an eligible owner-occupant passes away after Wildfire Mitigation activities have been completed, and before the 24-month monitoring period is completed, please see Section 7 for monitoring and compliance.

VII. Heir Applicants

Applicants who inherited a property may be eligible for Program assistance if ALL the following conditions are met:

- Applicant inherited the property from immediate family member(s) who passed away.
- The deceased immediate family member granted the property to the Applicant who also lives in the house as their primary residence (See section 4.4 for Occupancy documentation standards).
- Applicant occupies the home as their primary residence (See section 4.4 for Occupancy documentation standards); AND
- Applicant provides a written narrative describing their relationship to the property, the history of the property transactions, and any other information relevant to meeting the requirements mentioned above.

3.4 Occupancy and Primary Residency **Occupancy Requirements**

The Applicant must have occupied the property at least 60 days preceding the disaster date and must currently occupy the property as their primary residence. Second/vacation homes and rental/investment properties are not eligible for assistance under the Program.

In determining if the Applicant occupied 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 confirms primary residence status by verifying the Applicant's property tax homeowner exemptions at the time of the disaster and currently. If the tax records from the time of the disaster and currently have established ownership in the Applicant's name and show the County has granted the Applicant a primary residence homeowner property tax exemption, the property is considered their primary residence. The Program can also accept the address shown on the Applicant's filed federal tax returns (IRS Form 1040) from the disaster year and currently to substantiate primary residence status at the property.

- In the absence of the primary residence homeowner property tax exemptions, or filed federal returns, the Program may accept one or more of the following documentations to verify the Applicant occupied the property as their primary residence at the time of the disaster and currently. In all cases, the name and address on the documentation must match the name and property address on the Application and be dated prior to the date of the disaster.
- Voter registration records submitted together with driver's license.
- Valid driver's license from time of disaster with property address listed accompanied by a copy of a bank statement or a credit card statement sent to residence in the month preceding or month of the applicable disaster.
- Copy of Applicant's insurance policy covering the contents or personal property in the home. The documentation must confirm insurance coverage was effective at the time of the disaster.
- Copy of electric, gas, cable, or cell phone bill. The bill must confirm that service was provided in the month preceding or the month of the applicable disaster. The utility bill mailing address must match the property address on the Program application and the address at which utilities are provided.
- NOTE: Incidental services such as propane tank bills are not considered utility bills and may not be used to establish occupancy.
- Letter from electric, gas, cable, or cell phone company. The letter must confirm that service was provided in the month preceding or month of the applicable disaster.
- The Program may require the Applicant to provide additional documentation to explain any discrepancies at any point during the application process.
- The Program, after review of occupancy supporting documents, decides on primary residence eligibility based on known circumstances and available information at the time of processing the application.

VIII. Special Circumstances Related to Type of Occupancy

The following exceptions apply under special circumstances related to occupancy:

- 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. The home cannot currently be in use as a rental property.
- 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.

Section 4: 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 ReCoverCA Housing Programs 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.

4.1 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, Deed Restrictions, Subrogation Agreement, and all other executed legal documents. The Program reserves the right, in its sole discretion, to require the Applicant to provide additional documentation at any point during the application process.

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 construction process:

During Construction Process

- **Ownership:** The homeowner agrees not to transfer or cause to transfer title to the property or any interest in the property during construction.
- **Access to Property:** The homeowner must arrange access to the property for building contractors providing construction services. If reasonable and timely access is restricted or denied to a building contractor who is making a good faith effort to perform required work, the award may be terminated.
- **Personal Property:** Upon acceptance of the Grant Award Acknowledgment, the homeowner may be required to relocate personal property during construction. The Program is not responsible for lost or damaged belongings of the homeowner and/or household members that have occurred during construction.
- **Reasonable space:** During the construction phase the homeowner must not interfere in work areas and make a reasonable effort to stay away from the construction zone.

- **Cooperation:** The homeowner 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 Construction 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.

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

a. Initial Home Inspection

Prior to the Initial Home 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 Home 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 Home Inspection.

Construction Management-contracted inspectors conduct the Initial Home 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.
- (If applicable) Verifies 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
- Interior photos (if required on a case by case by program) – Standard action is that contractor will not conduct interior home inspection.
- 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

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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 2.4 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.

4.2 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 rehabilitation, 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 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.

a. 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.

b. 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 each project site:

Entire project scope and all phases of the project from beginning to end

- 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

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4.3 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

a. 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.

b. 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>.

Section 5: 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.

Section 6: 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.

Section 7: CALGreen – California Green Building Standards Code

In May 2018, the California Energy Commission adopted new building standards that require all newly constructed homes to include solar photovoltaic systems, effective January 1, 2020. Homes built with the 2019 standards use approximately 53 percent less energy than those built under current [2016](#) standards.

7.1 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.

7.2 Construction Warranty

In accordance with California Civil Code 900, a builder shall provide a homebuyer with a minimum 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.

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Homeowners must be provided with a warranty information binder detailing building warranties as well as instruction booklets and information for warranted 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.

Section 8: Program Policies

8.1 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.

8.2 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
2020 West El Camino, Ave. Suite 630
Sacramento CA 95833
Attn: ADA Coordinator
Email: EEO-Office@hcd.ca.gov
Phone: (916) 263-3635

8.3 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.

8.4 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 rehabilitation or reconstruction, 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:

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

Section 1: 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. 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 non-profit organization to assist Applicants with mitigation measures to their home must be reported in the application process and verified by the Program.

- 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.

b. 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.

c. Calculating Total Assistance: Non-Duplicative Assistance

Not all assistance received by an Applicant is considered a duplication of benefit for housing Rehabilitation or Reconstruction. Therefore, there are types of assistance received by an Applicant which will not constitute a duplication of benefits, referred to as non-duplicative or offsets.

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

a. Program Appeals

Documentation on the appeals process for the award amount is included with each Applicant's Grant Award Acknowledgment, zero award or ineligibility letter. An appeal must be filed within thirty (30) calendar days of the date of the award determination letter or ineligibility letter.

Award amount appeals are not accepted after the Grant Award Acknowledgment 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; • Duplication of Benefits (DOB); and/or
- File closure.

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.

Once the Program appeal has been submitted, the Program may request the Applicant to submit additional supporting documentation. Such supporting documentation may include, but are be limited to, Program eligibility documentation, property records, and/or correspondence from insurance companies, FEMA, or SBA.

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.

Appeals must be submitted in writing, to the Program via Application Portal, U.S. Mail, or email.

An appeal determination letter will be mailed to the Applicant after complete review of the file and supporting documentation. Notices will also be sent via email and the Application Portal. An appeal determination shall be final and at the sole discretion of HCD. No additional appeals will be accepted once an appeal determination has been made.

d. Appeals Process

If the Applicant disagrees with an award determination made by the Program, they may file an appeal within 30 days from the date of receiving the award determination, zero award, or ineligibility letter.

To file an Appeal, the Applicant must provide the award determination, zero award, or ineligibility letter and any new information or documentation that was not available at the time of the initial application to support their appeal. Applicants must also provide a narrative describing, in detail, the reason(s) they are requesting a review of the award determination.

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

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

By e-mail: ReCoverCA@hcd.ca.gov

By U.S. Mail:

California Department of Housing and Community Development
ReCoverCA Housing Programs
2020 West El Camino, Ave. Suite 405
Sacramento CA 95833

Within 5 business days of receiving the Appeal request, a Program Representative drafts an initial recommendation and provides it along with all appeal supporting documents to the Program Manager. The Program Manager will decide within 15 business days after receipt of the Appeal. For requests that require additional levels of review and additional time, the applicant will receive a notification of extension and estimated timeframe.

After review, if the Program Manager approves the Appeal request, the Program Manager will instruct Case Management on the changes to be made to the Applicant’s file and a determination letter is mailed to the Applicant. If the Program Manager is unable to approve the request for reasons outside of the Program policies and procedures, the appeal request will go to the Program Appeal Review Panel for final review. Generally, the Appeal Review Panel will decide on an appeal and issue a determination letter to the Applicant within 20-25 business days of receipt of the Appeal.

The Appeal Review Panel is comprised of 3 or 5 members. The Appeal Review Panel meets bi-weekly to review all outstanding appeal review requests that were not approved by the Program Manager for final determination.

Appeal requests that do not provide new information that was not available at the time of the program award or eligibility determination will be rejected without going to the Appeal Review Panel.

e. 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.

8.5 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.
- Construction is not completed due to non-cooperation by homeowner(s).
- Non-compliance with the approved SOW in a manner that would make the home ineligible (i.e., did not comply with lead paint abatement requirements).
- Failure to report the receipt of additional assistance received for the same purpose as the Program funds (DOB).
 - o 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 construction 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 or via phone at (916) 263-6461.

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).

8.6 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.

Section 9: 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).

9.1 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

9.2 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.

9.3 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.

Section 10: 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) of a property and has been invited to apply for housing 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.

Mobilehome - A mobilehome 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.

Personally Identifiable Information (PII) - Information that can be used to distinguish or trace an individual's identity, such as name, and social security number, alone, or when combined with other

personal and identifying information which is linked or linkable to a specific individual, such as date, place of birth, mother's maiden name, etc.

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.

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.