Overview of ReCoverCA Program and Upcoming Construction Opportunities
Agenda

1) HCD Overview
2) Program overview
3) Procurement and Contracting Overview
4) Section 3 Overview
5) Upcoming RFP Overview
California Department of Housing and Community Development
HCD Staff

California Department of Housing and Community Development (HCD)

• Key HCD Staff:
  o Amanda Ohman – CDBG-DR Section Chief
  o Susan Naramore – Sr. Specialist-Disaster Recovery
  o Joseph Helo - CDBG – DR Housing Program Manager
Key Program Contractors

• Civix - Prime Grant Management Services
  o Ted Guillot - Director
  o Adrienne Duncan – Project Manager
  o Colin Bailey – Deputy Project Manager
  o Whitney Roche – Owner Occupied Housing Programmatic SME

• HORNE – Program Implementation
  o Anna Stroble – Engagement Partner
  o Holly Smith – Program Director
  o Michael Gagner – Senior Manager
  o Athena Laines – Project Manager
  o LeSar Development Consultants
Program Overview
2017 CDBG-DR Program Background

• To assist with and ensure program compliance and best practices, HCD enlisted the help of experienced contractors to help craft and implement the OOR program
  o Owner-Occupied Rehabilitation/Reconstruction Program (OOR)

• $162 million in total CDBG-DR funds for recovery from the wildfire, debris flow, and mudslide events that took place in October and December of 2017
  o OOR Program allocation: $47 million in CDBG-DR funds
2017 CDBG-DR Program Background

• March 15, 2019, HUD approved the State’s initial Action Plan for the implementation
  o 80 percent of funds must be spent in locations HUD has identified as the Most Impacted and Distressed (MID) Areas
  o At least 70 percent of funds must be spent to benefit low-to-moderate income persons
  o Grants up to $150,000 to rehabilitate or reconstruct homes
# Federally Declared Disaster Areas

<table>
<thead>
<tr>
<th>Federally Declared Disaster Areas</th>
<th>Most Impacted and Distressed Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR-4344</td>
<td>County</td>
</tr>
<tr>
<td>Butte County</td>
<td>Sonoma County</td>
</tr>
<tr>
<td>Lake County</td>
<td>Ventura County</td>
</tr>
<tr>
<td>Mendocino County</td>
<td>Santa Barbara County</td>
</tr>
<tr>
<td>Napa County</td>
<td>Ventura County</td>
</tr>
<tr>
<td>Nevada County</td>
<td></td>
</tr>
<tr>
<td>Orange County</td>
<td></td>
</tr>
<tr>
<td>Sonoma County</td>
<td></td>
</tr>
<tr>
<td>Yuba County</td>
<td></td>
</tr>
<tr>
<td>DR-4353</td>
<td>Zip Code</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>95470</td>
</tr>
<tr>
<td>San Diego County</td>
<td>95901</td>
</tr>
<tr>
<td></td>
<td>94558</td>
</tr>
<tr>
<td></td>
<td>95422</td>
</tr>
<tr>
<td></td>
<td>93108</td>
</tr>
</tbody>
</table>
Applicant Outreach and Survey

• Outreach will continue through media and local community engagement for targeted LMI and harder to reach communities and individuals.
  o Interested applicants are encouraged to fill out an online survey at https://recover.hcd.ca.gov/
  o Survey is open to victims of the 2017

To complete the survey electronically, click below:
Manual version of the survey is available below.
Survey Respondents by County

• 59% of survey respondents to date are from Ventura county (highlighted in red)

• Sonoma County residents represent another 22% of survey respondents (highlighted in yellow)

• In total, 71% of respondents came from the Southern California counties
Program Administration

- Applicants are tiered according to location in the MID or impacted area, household income and level of damage.
- Applicants will be assisted in order of priority, starting with Tier 1, until funding runs out.

### APPLICANT PRIORITIZATION TIERS

<table>
<thead>
<tr>
<th>Geography</th>
<th>Owner-Occupant Household Income</th>
<th>Property Damaged by DR-4344 or DR-4353</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 2</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 3</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 4</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 5</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 6</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 7</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tier 8</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

- 7 Most Impacted Counties & Zip Codes Only
- All Areas That Received a Federal Disaster Declaration
- LMI Only
- All Incomes
- Major or Severe Damage
Program Administration continued

• eGrants is the system of record for the OOR Program

• The case management team will work in coordination with the construction management firm to process applications for assistance through the Program
eGrants
eGrants continued
Program Construction Solutions

• Due to the time elapsed since the October (DR 4344) and/or December 2017 (DR 4353) wildfires, homeowners are in varied stages of their recovery process.

• The Program has developed 2 solutions for applicants:
  o Solution I: Program-Managed rehabilitation or reconstruction
    ▪ Manufactured Housing Units
  o Solution II: Homeowner-Managed rehabilitation or reconstruction
Solution I:
Program-Managed ("Turnkey") Rehabilitation or Reconstruction

• The CM contractor assesses the damage and prepares a scope of work (SOW), based on standard grade materials as calculated using a national building-industry estimating software, for each rehabilitation and reconstruction project. Construction contractors then complete projects in accordance with the SOW.

• CM contractor also responsible for Tier II services
Solution II: Homeowner-Managed Rehabilitation or Reconstruction

- Owner has already engaged a construction contractor or chooses to engage in a construction contract independently

- CM reviews applicant-provided plans and contractor bids and monitors, oversees, and inspects the construction process

- Developing an SOW as needed
Manufactured Housing Unit (MHU)

• Rehab – under $10,000 in damages and 2009 or newer

• Replacement: Responsible for procuring replacement Manufactured Housing Units (MHUs) on behalf of the Program, hauling MHUs from the manufacturer or staging area to the site of the installation, and completing all installation activities necessary, ensuring unit registration and titling is completed through HCD Codes and Standards Division
  — Requirements:
    ▪ Title 25, California Building Code
    ▪ Local/Park building requirements
    ▪ C-47 Licensure through the California State Contractors License Board, as required
Procurement and Contract Management

• Procurement involving federal funding shall be conducted in accordance with applicable federal, state, and local laws and regulations.

• 2 CFR 200.317 through 200.326

• System for Award Management (SAM)

• Public Contract Code (PCC)
Purpose

• One of the primary purposes of a procurement process is to ensure full and open competition.

• 2 CFR 200.319

• 24 CFR 570.489(g)

• PCC 10318
Contractor Requirements

• Contractor integrity

• Compliance with public policy

• Record of past performance

• Financial and technical resources
Contract Provisions

- Insurance Requirements
- Background Checks
- Bonding Requirements
- Equal Employment Opportunity
- Davis-Bacon Act
- Clean Air Act
- Energy Policy and Conservation Act
- Debarment and Suspension
- Byrd Anti-Lobbying Amendment
Section 3 Overview
Section 3 (24 CFR 135)

Section 3 of the Housing and Urban Development Act of 1968 (Section 3) Provide, *to the greatest extent feasible*, job training, employment, contracting and other economic opportunities generated by certain HUD financial assistance shall be directed to low-and very low-income persons and businesses.
Applicability of Section 3

• Section 3 ensures that employment, contracting and training opportunities generated by CDBG-DR are directed to:
  o Low- and very low-income persons
  o Persons who are recipients of government housing assistance
  o Businesses which provide economic opportunities to those persons
Applicability of Section 3, continued

• Section 3 applies to:
  o Certain HUD-funded Housing and Community Development projects:
    ▪ Housing rehabilitation
    ▪ Housing construction
    ▪ Other public construction

• All awards:
  o Professional services
  o Subrecipients
  o Construction contracts

• The entire project that is funded with Section 3 covered assistance
Threshold Requirements & Applicability

• Section 3 applies when:
  - The recipient (HCD or other) receives more than $200,000 in a covered project; and
  - A contractor or subcontractor performs work on a Section 3 covered project for which the contract or subcontract exceeds $100,000.
Locating Section 3 Businesses

HUD offers a few resources on their site for identifying if a business qualifies as Section 3, to register with HUD as a Section 3 Business*, and search for a business using their online tool:

https://portalapps.hud.gov/Sec3BusReg/BRegistry/Search Business
Upcoming RFP Overview
Request for Proposal

- **RFP 20-CDBGDR17-001 CDBG-DR Construction Management and Delivery Services**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Time (Pacific Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP available to prospective proposers</td>
<td>September 2, 2020</td>
<td>N/A</td>
</tr>
<tr>
<td>Bidders Conference</td>
<td>September 17, 2020</td>
<td>TBD</td>
</tr>
<tr>
<td>Written Question Submittal Deadline (Answers to Questions will be posted at least five business days prior to final Proposal submission date)</td>
<td>October 7, 2020</td>
<td>5:00 p.m</td>
</tr>
<tr>
<td>Final Date for Proposal Submission</td>
<td>October 14, 2020</td>
<td>3:00 p.m</td>
</tr>
<tr>
<td>Interviews if needed</td>
<td>November 1-7, 2020</td>
<td>TBD</td>
</tr>
<tr>
<td>Notice of intent to Award (Anticipated)</td>
<td>November 13, 2020</td>
<td>N/A</td>
</tr>
<tr>
<td>Proposed Award Date</td>
<td>November 24, 2020</td>
<td>N/A</td>
</tr>
<tr>
<td>Proposed Agreement Term</td>
<td>3 Years with 6, one-year optional extensions</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Example: Cost Proposal

• Per Grant Award (Unit) Cost - Assume 400 Units to be Rehabilitated/Reconstructed/Replaced at an average Grant Award of $75,000

• Of the 400 units, assume 100 will be MHU replacements. Assume 50 units will require lead-based paint and asbestos testing and inspection
Example: Cost Proposal, continued

- Home inspection and Estimate, Interim and Final Inspection
- Construction Design-Build, MHU Installation, and Construction Management
- Tier II Environmental Review – NEPA
- LBP and Asbestos Inspections and Remediation
COVID-19

• To accommodate social distancing required to limit the spread of COVID-19, HCD will require all current public health guidelines to be adhered to
2018 Disaster

- HCD anticipates that the U.S. Department of Housing and Urban Development will release funding to California for the 2018 wildfires in late 2020
- HCD will be implementing $1 billion in CDBG-DR funding for the 2018 wildfires.
- $205 million has been allocated for the 2018 OOR Program
- July through September 2018 Wildfires and High Winds Impacted Counties - Lake and Shasta
- November 2018 Wildfires Impacted Counties - Butte, Los Angeles, Ventura
Any Questions?
Email: recover@hcd.ca.gov
STAY IN THE KNOW:
Sign up for ReCoverCA email at ReCover.hcd.ca.gov