



Bay County Voluntary Home Buyout Policies and Procedures

Version History

VERSION	REVISION DESCRIPTION	RELEASE DATE
1	Original version.	2/3/2022
2	Updated to allow for LMA applicants to be eligible for the program.	11/2/2022

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History

Hurricane Michael made landfall near Mexico Beach and Tyndall Air Force Base, FL, on October 10, 2018, at 12:30 CDT as a Category 5 hurricane, with maximum sustained winds of 161 miles per hour (mph) and a minimum pressure of 919 millibars (mb). It was the fourth strongest hurricane to make landfall on the continental United States based on wind speed, and the 13th named storm of the 2018 Atlantic Hurricane Season. Bay County and the surrounding municipalities sustained \$2.2 Billion in damages, and over 22,000 of a population of over 180,000 residents were left homeless in a matter of hours.

Thanks to massive tree loss, Bay County residents from all over have begun experiencing flooding, even in areas that had never been considered a flood risk area before, and now even during non-disaster rain events the homes and streets will flood. Hurricane Michael exacerbated this by damaging or destroying many flood mitigation measures such as culverts and ditches, causing stormwater to pond in undesired locations and for longer periods. This in turn extends the disaster response period, creates a growth environment for mosquitoes, and creates mobility and accessibility issues for residents and first responders. Roads become difficult to traverse without significant water damage to vehicles due to flooding, which can prevent first responders from accessing the homes of residents in need of help without a boat or traversing murky water which may obscure submerged landscape pitfalls or other hazards.

Recurrent flooding of areas which were already vulnerable prior to Michael has been exacerbated by the widespread loss of trees and forests caused by that storm, which felled over 330 million trees in Bay County alone. A typical full-grown tree can absorb 100 or more gallons of water per day; the loss of hundreds of millions of trees has thus eliminated a massive amount of absorptive capacity causing a dramatic increase in the amount of runoff generated during storms, increasing the frequency and severity of flooding. This has also increased the incidence of Infiltration and Inflow (I&I) issues, where floodwaters enter sewer and drainage systems and bring them to or beyond capacity, causing backups and surcharges.

The County is desperately trying to mitigate these issues as quickly as they can. Unfortunately, solving these problems takes time and money which are scarce. The County was forced to borrow over \$250 million in loans just to keep government services in operation after the Hurricane devastated government infrastructure and disrupted public services. The Bay County leadership has been diligently working to recover and rebuild as effectively and efficiently as possible but ensuring compliance with Federal guidelines and procedures makes this a slow process. Since Hurricane Michael, the County has been forced to contend with another Hurricane, Sally, as well as COVID-19; continuing recovery efforts under three separate Federal Declarations simultaneously has been incredibly challenging.

National Objective

The Bay County Voluntary Home Buyout Program (VHB) is being implemented to meet the LMI National Objective, as defined in the DEO's Action Plan:

- a. **Low-to-Moderate Income Housing:** The activity benefits low-to-moderate income households participating in the VHB Program. Low-to-Moderate income is verified for the applicant's household living in the primary residence for which program funds are being sought.
- b. **Low-to-Moderate Income Area:** The activity benefits households living in low-to-moderate income areas participating in the VHB Program. Low-to-Moderate income area is verified for the applicant's household living in the primary residence which resides in a Low-to-Moderate income block group, or surveyed area, for which program funds are being sought.

To meet the National Objective of LMI, the households assisted must be classified as LMI or LMA as defined under HUD CDBG regulations. This is accomplished if the applicant's total household income is estimated to be less than 80% of the HUD determined Area Median Income (AMI) for Bay County, Florida based on household size. This will be evaluated and confirmed through applicant income verification conducted by the VHB case manager.

Purpose

The Voluntary Home Buyout Program Policy and Procedures (P&P) provides guidelines for the Rebuild Florida Buyout staff to manage the application process from the point of initial application to applicant completion of the Program. The P&P describes the process for applicants from Intake, where the paper application is completed, benefits and eligibility are verified, and award is calculated, to close out of the Program.

The Rebuild Florida Buyout Team is committed to treating every applicant with efficiency, dignity, and respect. Program managers will strive to create a flow of action upon intake and processes that enables applications to be completed in a timely manner and provides the highest level of customer service to all applicants. This P&P package will assist in the processing of applications for reference and updated concurrent with any and all policy changes.

The objectives of the Bay County VHB Program are:

1. Owners of properties that have been affected by Hurricane Michael and subsequent flood events are eligible for buyout to reduce the owners' flood losses.
2. All properties bought by the Bay County VHB will be returned to green space and used for flooding mitigation in perpetuity.
3. Repetitive subsidized flood insurance payments and federal disaster assistance will be reduced for future natural disasters.

This P&P is compliant with all tenets and conditions of the subrecipient agreement, and the State of Florida Voluntary Home Buyout Program Guidelines, the Disaster Recovery Action Plan, Action Plan Amendments, and laws at the Federal, State, and Local level.

Definitions

100-year floodplain- Area defined by FEMA subject to inundation from a flood and having a one percent or greater chance of being equaled or exceeded in any given year. Shown as Zones AE, AH, AO on the Flood Risk Information System (FRIS) map. Also known as the Special Flood Hazard Area (SFHA). SFHA

means the area where the National Flood Insurance Program (NFIP) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.

500-year floodplain- Geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Action Plan- Public document required by HUD that details the State of Florida's storm recovery programs and allocation of CDBG-DR and CDBG-MIT funding.

Adjusted Gross Income (AGI)-An individual's total gross income minus specific deductions

Advisory Base Flood Elevations (ABFE)- Advisory in nature and more accurately reflect the true one percent annual chance flood hazard elevations in each area. Following large storm events such as Hurricane Michael, FEMA performs an assessment to determine whether the one percent annual chance flood event, shown on the effective FIRMs adequately reflects the current flood hazard. In some cases, due to the age of the analysis and the science used to develop the effective FIRMs, FEMA determines there is a need to produce ABFEs. ABFEs are provided to communities as a tool to support them in recovering in ways that will make them more resilient to future storms.

Affirmative Fair Housing Marketing Plan-A document used to assure applicants that all will be offered equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability.

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

Applicant- Any individual who applies for assistance to the Bay County Voluntary Home Buyout Program (VHB).

Buyout – A type of acquisition with the purchase of an eligible property with the intent to reduce risk from future flooding or to reduce risk from the hazard that led to the property's designation within a Disaster Risk Reduction Area. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreation, or floodplain and wetlands management.

Case Management - Working with individuals and their families to understand the VHB's housing options, resulting in clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the survivor's needs to decrease their barriers to participate in the VHB where possible. Staff should meet at designated locations and supply information in a standard format.

Change of Use – For the purpose of property disposition, the Program changes the property through an eligible CDBG-DR activity. Such as turning a residential property to Open Space.

Community Development Block Grant-Disaster Recovery (CDBG-DR)-A Federal program administered by the U.S. Department of Housing & Urban Development (HUD), that provides grant funds to local and state governments to assist with eligible recovery efforts after a natural disaster.

Community Development Block Grant Mitigation (CDBG-MIT)- A Federal program administered by the U.S. Department of Housing & Urban Development (HUD), that provides grant funds to local and state governments to assist with mitigation against disaster risks while at the same time allowing grantees the opportunity to complete related state and local planning.

Communication Designee- Person the applicant has identified as being able to communicate with Program Staff regarding the applications and its current status but cannot make decisions on behalf of the applicant.

Contaminated Sites-Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: 1. Listed on an EPA Superfund National Priorities or CERCLA List or equivalent State list, 2. Located within 3,000 ft. of a toxic or solid waste landfill site, or 3. With an underground storage tank. HUD policy, as described in 24 CFR Part 50.3(i) and 24 CFR 58.5(i)(2), does not allow for CDBG-DR funding for the acquisition of contaminated sites.

Contract for Deed/Lease Purchase Agreement-Legal document that establishes items to be met in order for the deed to a piece of property to transfer from one person to another, usually in exchange for monthly payments until the purchase price has been paid.

Conveyance-The legal process of transferring property from one owner to another

Current Fair Market Value – The value of an applicant’s residential property, including the value of the land and any structures, as determined by the most recent appraisal conducted by the County’s procured appraiser. All appraisals will account for the condition of the applicant’s property “as-is”

Damage Assessment - An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (MPS, TREC, or similar license) is required to document storm related property damage specifically and clearly via photographic evidence and detailed narratives (see the DEO’s Damage Assessment Guidelines). Damage assessments may also include final cost of repair estimates.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This does not apply to the rehabilitation of residential property if such property contains 8 or more units.

Demolition – The clearance and proper disposal of dilapidated buildings and improvements.

Designated Area - means the land determined by the subrecipient that is eligible for the Voluntary Home Buyout Program.

Disability- 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 CFR, 5.403 and 891.505.

Disaster Recovery Grant Reporting System (DRGR)- The Disaster Recovery Grant Reporting system was developed by HUD’s Office of Community Planning and Development for the Disaster Recovery CDBG program and other special appropriations. Data from the system are used by HUD staff to review activities funded under these programs and for required quarterly reports to Congress.

Disaster Risk Reduction Area (DRRA)-A DRRA is a clearly delineated area designated by the CDBG-DR grantee (i.e., Bay County) that sustained damage directly related to a presidentially declared disaster and presents a predictable ongoing environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science. Sometimes this term is used interchangeably with “Buyout Zone”. The DRRA serves as the defining boundaries within which properties are eligible for the Buyout Program.

Duplex- A residential structure consisting of two separate dwelling units inhabited by two separate households, either side by side or one above the other. This does not include single-family homes that have been modified to include a second unit, such as a mother-in-law suite.

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

Elderly Person- [24 CFR 891.205] A person who is older than 62 at the time of program start.

Eligible Property - means a residential, owner-occupied property of 4 or fewer units located in the County, which has suffered impacts from the storm event, and meets any property eligibility requirements under DEO.

Eligible Receipts-Proof of payment for items that are strictly for rebuilding the disaster-affected structure. Receipts must consist of permanent fixtures only, such as wood panels, drywall, paint, carpet, flooring, etc.

Encroachment-Any floodplain development that could obstruct flood flows, such as a landfill, bridge, building, etc. A driveway, road, or parking lot at grade (without any filling) would not cause any obstruction.

Environmental Review- All projects and programs undertaken with CDBG-DR funds 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. All of these files will be permanently recorded with the County.

Estimated Cost of Repair (ECR)- A documented line item by line-item estimate of the damages observed during an onsite visit to an applicant's property that quantifies the materials and labor necessary to repair observed damages.

Fair Market Value (FMV)- The appraised price, as qualified by a certified appraiser, that a willing buyer and seller agrees upon when they are acting freely, carefully, and with complete knowledge of the situation when neither buyer nor seller are under duress to buy or sell the property.

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities for Persons with AIDS (HOPWA) program at the time of his or her death.

Federal Emergency Management Agency (FEMA)- An agency of the U.S. Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

Federal Register Notice- Notices posted in the Federal Register by HUD that informs state grantees of the funding available for recovery efforts, as well as HUD’s rules and guidelines for the allocation and expenditure of the funds.

FEMA-Designated High-Risk Area – Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 – Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in an Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if: (1) the person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

Flood Zones- The land areas identified by FEMA. Each flood zone describes that land area in terms of its risk of flooding.

Floodplain-Also known as the “Base Flood”. It is the low, flat, periodically flooded land adjacent to rivers, lakes, and oceans and is subject to geomorphic (land shaping) and hydrologic (water flow) process. The 100-year floodplain, or SFHA, is the land that is predicted to flood during a 100-year storm, which has a one percent chance of occurring in any given year. Areas within the 100-year floodplain may flood in much smaller storms as well. The 100-year floodplain is used by FEMA to administer the National Flood Insurance Program.

Floodplain Fringe- The portion of the floodplain outside of the floodway, which is covered by floodwater during the 100-year flood. The term “flood-fringe” is generally associated with standing water, rather than flowing. It is also part of the floodplain wherein development is subject to a community’s floodplain ordinance.

Floodway-Also known as the “Regulatory Floodway”, it is the portion of the floodplain effective in carrying flow where flood hazard is generally the greatest, and water velocity is the highest. In the floodway, fill or other development is likely to divert flow and contribute to increased water depths during a flood. Ideally, floodways should be undeveloped areas that can accommodate flood flows with minimal risk.

Gift of Property-A form of property transfer without exchange or payment.

Grant Manager – Acquisition Manager, Voluntary Home Buyout Program, Department of Planning and Environmental Resources, and Bay County Land Authority

Grantee-Any jurisdiction receiving a direct award from HUD. In the context of this Program, the grantee is Rebuild Florida, with Bay County as the subrecipient.

Hazard Mitigation Grant Program (HMGP)-A program administered by FEMA to aid storm-damaged homeowner properties by acquiring the property, or by elevating/reconstructing the property. The purpose of the program is to reduce loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster.

Heirship-A form of property transfer without exchange or payment, the owner received it following the death of a previous owner.

Homeowner-Person or persons who are listed on the deed as owning the property.

Household – 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 (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low- to moderate- income (LMI) objective is based on the LMI of households.

Housing Incentives - Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. The housing incentive may be offered for the purpose of improving the residential structure that upon completion will be occupied by a low to moderate income household. An incentive may be offered for a buyout payment to households that volunteer to relocate outside of floodplain or to a lower-risk area. A buyout incentive is not available for properties that served as second homes at the time of the disaster or following the disaster.

Housing Quality Standards (HQS) – The HQS establishes certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes and multifamily housing as outlined in 24 CFR 982.401.

Housing Unit - A residential structure intended for occupancy. Ineligible receipts - receipts for repairs that are completed on detached buildings such as garages or sheds, and personal items such as food and clothing, gasoline, tools, and equipment.

Housing and Urban Development Act of 1968, Section 3 – Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. 4

Housing and Urban Development (HUD)- The federal department through which the CDBG-DR program funds are administered, monitored, and distributed to grantees.

HUD Office of Inspector General (OIG): OIG's mission is independent and objective reporting to the HUD Secretary and the Congress for the purpose of bringing about positive change in the integrity, efficiency, and effectiveness of HUD operations. The Office of Inspector General became statutory with the signing of the Inspector General Act of 1978 (Public Law 95-452)

Increased Cost of Compliance (ICC)-One of several resources for flood insurance policyholders who need additional help rebuilding after a flood. It provides up to \$30,000 to help cover the cost of mitigation measures that will reduce flood risk. ICC coverage is a part of most standard flood insurance policies available under FEMA's National Flood Insurance Program (NFIP).

Internal Revenue Service (IRS)- Federal department responsible for tax collection and tax law enforcement.

Limited English Proficiency (LEP)-Designation for persons that are unable to communicate effectively in English due to their primary language not being English, and they have not developed fluency in English. An LEP person benefits from an interpreter and will need translated documents in order to understand important documents related to health and human services.

LMB National Objectives – Low to Moderate Buyout (LMB) is used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the pre-disaster fair market value of that property.

LMHI National Objectives - Low Moderate Housing Incentive (LMHI) benefits LMI households that are used for a housing incentive award and tied to a voluntary buyout or other voluntary acquisition of housing owned or occupied by a qualifying LMI household.

Lost Ownership-Property owners who lost ownership to their homes due to foreclosure or pending foreclosure.

Low- to Moderate- Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with DEO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the Subrecipient to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Low- to Moderate-Income (LMI) - means an income is less than 80% of the local area median income.

Low- to Moderate-Income Household (LMH) - a household with an income that is less than 80% of the local area median income (AMI).

Low- to Moderate Income Area (LMA) – A low- to moderate income qualified area is a specifically defined geographic area, which is predominantly residential, in which 51% or more of the population earns less than 80% area median income as defined by HUD.

Manufactured Housing – A structure, 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.

Minimum Property Standards (MPS)-Established minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes, multi-family housing and health care-type facilities.

Minority Business Enterprise (MBE)-Business owned and controlled by a member of a minority group.

Mixed Family-Family made up of both those with Citizenship/Eligible Immigration Status and those without.

National Objective: a HUD criterion governing the eligible uses of CDBG-DR funds. The three National Objectives are: benefiting low- and moderate- income (LMI) persons; aiding in the prevention or elimination of slums or blight; and meeting a need having a particular urgency (referred to as urgent need).

National of the United States: a non-U.S. citizen who holds allegiance to the U.S. is not considered an alien.

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 Flood Insurance Program (NFIP): created by Congress in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

Needs Assessment – An assessment that determines the type of housing programs that will be offered equitably and based upon an objective assessment of unmet needs in the affected community's population.

Negative Equity Mortgage – also known as “under water” or “upside down” mortgages when homeowners owe more on their mortgages than their homes are worth.

Noncitizen- a person who is neither a citizen nor a national of the United States.

Not suitable for rehabilitation:

1. Substandard dwellings that cannot be brought into compliance with Bay County's recovery program housing rehabilitation standards and/or applicable state and local code requirements shall be deemed not suitable for rehabilitation and shall not be rehabilitated. The determination may be established if the cost of rehabilitation exceeds 51 percent of the market value of the property or the property is deemed a blighted structure consistent with state or local ordinance, the property would be a candidate for demolition and/or reconstruction.
2. Dwellings that are considered a “blighted structure” unfit for use, habitation, dangerous to persons or other property, or when it exhibits objectively determinable signs of deterioration enough to constitute a threat to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, excessive use, or lack of maintenance. Characteristics may also include any nuisance conditions including but not limited to any “nuisance” as defined by law.
3. Any residential property that poses a public nuisance, which may be detrimental to the health or safety of children whether in a building, on the premises of a building, or upon an unoccupied lot. This includes, but is not limited to abandoned wells, shafts, basements, excavations, unclean swimming pools or spas, abandoned iceboxes, refrigerators, motor vehicles, and any structurally unsound fences or structures, lumber, trash, fences, or debris which may prove a hazard for inquisitive minors.
4. Unsanitary conditions or anything offensive to the senses or dangerous to health including, but not limited to, the emission of odors, sewage, human waste, liquids, gases, dust, smoke, vibration, or noise, or whatever may render air, food, or drink detrimental to the health of human beings.

5. Physical conditions such as, but not limited to, old, dilapidated, abandoned: scrap metal, paper, building materials and equipment, bottles, glass, appliances, furniture, rags, rubber, motor vehicles, and parts thereof.
6. Physical conditions posing fire hazards.
7. Physical conditions posing a hazard such as but not limited to dead or damaged trees.
8. Residential properties that experienced repetitive losses under FEMA's National Flood Insurance Program (NFIP) and/or in a state-defined "Disaster Risk Reduction Area."

Open Space-Undeveloped Property

Post- Event Fair Market Value - the land and dwelling value for parcels, as determined by each subrecipient's appraiser, post disaster.

Power of Attorney (POA)- An authorization to act on someone else's behalf in a legal or business matter.

Pre- Event Fair Market Value- the land and dwelling value for parcels, as determined by each subrecipient's appraiser, prior to the disaster.

Program Design – The selection and development of programs and activities based on a Needs Assessment. The VHB Design must include the type of housing activities that will be offered by the Subrecipient, as well as how the VHB will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as determined through a Needs Assessment. **Program Income** - Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient, and directly generated from the use of housing CDBG-DR funds.

Presidentially declared Disaster- The Department of Homeland Security and its Federal Emergency Management Agency (FEMA) administer disaster assistance and emergency management in the U.S. Under the Stafford Act, and state governors initiate requests for disaster assistance. If the President finds that a major disaster or emergency exists, FEMA activates federal funding programs to assist in the response and recovery effort. This search includes some related disaster assistance programs administered by other Federal agencies, such as the Small Business Administration, Farm Service Agency, and Commodity Credit Corporation. Within Florida, recent presidentially declared disasters include Hurricane Michael, and several others. CDBG-MIT funding is covered under this same term throughout this document.

Program Income - Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient, and directly generated from the use of housing CDBG-DR funds.

Program Participant- once an applicant to the VHB Program has received and accepted a written Offer to Purchase, which is received and recorded in the Program's system of record, they are no longer considered an applicant, but are considered a Program participant.

Property Owner- individual or entity in possession of title for land, building, or another item.

Punch List- a list of unfinished matter that needs attention. It is used in the architecture and building trades to organize the completion of a construction project.

Purchase Contracts- contract for deed is not eligible unless the property owner converts his/her contract to full ownership prior to receiving assistance from the Program.

Reconstruction- the labor, materials, tools, and other costs of rebuilding.

Recreational Vehicle (RV)- a motorized wheeled vehicle used for camping or other recreational activities.

Repair- the labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Real Estate Owned Property (REO)- a property owned by a lender—typically a bank, government agency, or government loan insurer—after an unsuccessful sale at a foreclosure auction.

Review Appraiser (RA)- a qualified professional that meets the requirements of a review appraiser as determined by THE SUBRECIPIENT and required in 24 CFR 103(d)(1), responsible for reviewing and ensuring that all appraisals of real property for the Buyout Program meet professional standards.

Scope of Work (SOW): prepared after a thorough on-site inspection and documented into a project specific work write-up report. The work write-up identifies needed repairs to bring the home up to the Program's minimum property standards.

Second Home- a property is considered a second home if it is not rented out at any time during the year, regardless of whether it is used by the household or not. In addition, a property is a second home if it is rented out part of the year and the owner uses the home more than fourteen (14) days or more than ten percent of the number of days during the year. If a home is rented out for part or all of the year and the owner does not use the home long enough, then it is rental property and not a second home.

Single Family Home – A single-unit family residence detached or attached to other housing structures. Subrecipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Site-Specific Checklist (SSC): the environmental compliance checklist that is required to document environmental clearance before Federal funds are permitted to be awarded.

Slum and Blight: an area in which at least seventy (70%) percent of the parcels are blighted parcels, and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

Small Business Administration (SBA)-through their Office of Disaster Assistance (ODA), the SBA provides affordable, timely and accessible financial assistance to property owners, renters, and businesses. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

Special Flood Hazard Area (SFHA)- the 100-year floodplain displayed on FEMA maps. It includes the A and V zones.

Subordination Agreement- a written contract in which a lender who has secured a loan by a mortgage or deed of trust agrees with the property owner to subordinate the earlier loan to a new loan (thus giving the new loan priority in any foreclosure or payoff).

Subrogation- the process by which duplicative assistance paid to the property owner after receiving an award are remitted to the Program in order to rectify a duplication of benefit.

Substantial Damage- occurs when a property sustains damages that equal or exceed fifty (50%) percent of its fair market value (FMV) prior to the event, as determined by a local authorized official (e.g., a code officer) and is sent a Substantial Damage Letter, or if the total eligible cost of repair (ECR) or allowable activities (AA) value (minus elevation and bulkheads costs) meets or exceeds fifty (50%) percent of the Program cap. Substantial damage may be determined by the following:

- a) Receipt of a substantial damage letter from their Floodplain Administrator, or
- b) Inclusion in the FEMA and/or the municipality data set indicating the home was substantially damaged, or
- c) A total damage amount of greater than fifty (50%) percent of the pre-storm value.
- d) All properties located in a Disaster Risk Reduction Area are considered by the Program to be substantially damaged.

Substantial Improvement:

1. Any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty (50%) percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:
2. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or
3. Any alterations of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure."
4. Floodplain management requirements for new construction apply to substantial improvements. Increased Cost of Compliance (ICC) coverage does not apply to substantial improvements unless a structure is substantially damaged due to flooding.

Subrecipient - Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201 (o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Systematic Alien Verification for Entitlements (SAVE)-a web-based service that helps federal, state, and local benefit-issuing agencies, institutions, and licensing agencies determine the immigration status of benefit property owners so only those entitled to benefits receive them.

System of record- Filing system with digital back-up on a secure server

Tenant- a person who has the temporary use and occupancy of real property owned by another; does not necessarily have a formal lease arrangement. Family members who occupy the residence without a formal agreement or clear expectation for regular compensation to the applicant are considered family members and are not tenants.

Trust- a legal vehicle to hold property subject to certain duties and to protect it for another individual(s).

Two-Family Homes- owner occupying one unit and a tenant occupying the other.

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

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Subrecipient/DEO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period the terms are forgiven after they are met by the homeowner.

Urgent Need National Objective – 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 and the Subrecipient cannot finance the activities on its own because other funding sources are not available. Subrecipients must document how each program and/or activity funded under this category responds to a disaster related impact.

Verification of Benefits- As required by HUD and the Stafford Act, Bay County will verify the disaster recovery benefits expected or already provided to the applicant in order to subtract any duplication of benefits from an offer to purchase.

Acronyms

There are many abbreviations that may appear in the Policies and Procedures, including:

ACRONYM	MEANING
ACM	Asbestos Containing Materials
AFWA	Anti-Fraud, Waste, and Abuse

AMI	Area Media Income
CCB	Change Control Board
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CDBG-MIT	Community Development Block Grant- Mitigation
CFR	Code of Federal Regulations
DOB	Duplication of Benefits
DRRA	Disaster Risk Reduction Area
DRV	Damage Repair Verification
ECR	Estimated Cost of Repair
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FEMA-IA	Federal Emergency Management Agency – Individual Assistance
FR	Federal Register
VHB	Bay County Voluntary Home Buyout Program
HCDA	Housing and Community Development Act
HMGP	Hazard Mitigation Grant Program (FEMA)
HQS	Housing Quality Standards
HUD	U.S. Department of Housing and Urban Development
LBP	Lead-Based Paint
LLC	Limited Liability Corporation
MF	Multi-Family Housing Unit
MID	Most-Impacted and Distressed
NEPA	National Environmental Policy Act
NFIP	National Flood Insurance Program
QA/QC	Quality Assurance/ Quality Control
RE	Reimbursable Expense
RV	Recreational Vehicle

SBA	Small Business Administration
SFHU	Single-Family Housing Unit
SFHA	Special Flood Hazard Area
TA	Technical Assistance
VOB	Verification of Benefits

Organization Roles

Defined Program/Organization Roles

Applicant-An individual who completes the Buyout application and submits required documentation on behalf of themselves and other household members. The applicant is also responsible for being present at the damaged property for inspections and appraisals.

Appraiser-Responsible for completing pre- and post-storm Fair Market Value (FMV) assessments of applicant properties.

Award Staff-Calculates the buyout offer.

Buyout Program Lead-Responsible for directing and managing all aspects of VHB Program. As a member of subrecipient (Bay County) staff, the Buyout Program Manager also reviews and provides all major policy and procedure changes. The Project Manager also oversees all aspects of the Buyout Program and associated work provided as part of URA and strategic communications. The Buyout Program Project Manager is also responsible for responding to or elevating issues reported by the Buyout Program Team Lead.

Closing Staff-A subcontractor from the Law Offices of the team who prepares closing documents and conducts buyout transaction between the Program and the homeowner.

Duplication of Benefits (DOB) Staff- Reviews award documentation received by the applicant from other sources and completes a DOB/VOB analysis prior to award determination.

Eligibility Staff-Reviews applicants' eligibility materials, works with the Staff to resolve incorrect or missing information in the application or materials and issues the eligibility determination so the Staff to progress applicant or issue ineligibility determination.

Environmental Review Staff-Responsible for completing Tier II environmental reviews of eligible applicant properties.

Inspector-Performs a site visit to the applicants' home to develop an estimate of completed repairs made on the home after the presidentially declared disaster and inspects the home after closing to ensure homeowner has vacated the home prior to demolition.

Landlord-Refers to any owner-applicant with tenants in the applicant property. This individual is responsible for supplying POC with contact info for tenant(s).

Participant-Refers to any applicant who has accepted the offer to purchase; meets with Program staff to execute closing on the property; completes incentive materials and submits verification of a new residence once relocated.

QA/QC Staff-Completes a quality control review of the application to ensure completeness and accuracy.

Staff-Coordinates outstanding documentation needed from applicants and communicates initial review results and application status to the applicant, conducts and coordinates scheduling between the applicant and Inspection/Appraisal/Environmental Teams and is the primary point of contact for the applicant with the Program after application intake. Staffs attend closings but do not conduct them. Staff assists applicants as their point of contact with closing activities and as their liaison with the Program.

Tenant-Refers to anyone in an applicant property that has a formal lease arrangement with the applicant. If the applicant becomes a Participant, the tenant works with the URA Staff to receive relocation benefits.

Title Reviewer-A title company who is contracted to work for Buyout and who is responsible for conducting title searches on applicants' homes.

URA Staff-Works with tenants in Buyout properties to connect them with required relocation benefits.

Process Flow

Bay County Voluntary Home Buyout Program Process Flow									
Applicant Intake	Eligibility	DOB Verification	Title Review	Appraisal	Damage Assessment	Pre /Post Calculation	Environmental Review	Award	Set - Up
Application Complete	Verify Income - AMI	Verify Address against FEMA, SBA, NFIP, Insurance, and Other	Verification that Applicant has clear Ownership	FMV Post - Storm	Verify Hurricane Michael Damage	Pre Storm Calculation if Purchased prior to Hurricane Michael (FMV at Current Appraisal Value)	Broad Review	Final Calculation to include FMV, DOB, Mortgage Payoff, Taxes Owed, Staying in same Tax Base area	Packet Prepared with Offer and coordinated with closing company
Collect all Documents	Verify Ownership	Conduct DOB Calculation	Verification of Mortgage or Lien Information and amount owed	FMV Post Storm or Purchase Price (whichever is less) if Purchased after Hurricane Michael	Calculate Repairs performed using the DOB funds and give Credit	Post Storm Calculation if Purchased after Hurricane Michael (lesser of the purchase price or the current FMV determined by the appraiser)	Tier II	Send to State for Review and Approval	Meeting with Applicant to Sign
Verify Applicant Priority	Verify SFHA, Flooding, or Health and Safety Concerns		Verification of any encumbrances		Calculate the Estimated Costs of Repair		Asbestos Inspection	Award Letter Notifying Approval by DEO	Utilities cut
Purchased Pre/Post	Verify Michael Damage				Conduct Initial Environmental Checklist / Photos			Subrogation Letter	
Purchase New Home in Tax Base Area									
SFHA Verified									
Health and Safety Verified									
Provide Next Steps to the Applicant									
Title /Closing	Survey	Utilities Cut	Demo/Haul	New Home Purchase	Close Out				
Title Recorded	Only if required	Verify that Utilities were Cut	Permit if required	Up to \$25K	Final QC of entire file				
Title Insurance Closing			Demo Haul	Same Tax Base Area Closing on new home	Close out file Notify DEO				
County Owns Property Now			Grade						
Green Space Management			Septic Filled Well Capped						

Implementation

Bay County Voluntary Home Buyout is available to Hurricane Michael impacted homeowners or those who bought post-Hurricane Michael, where the home is located in a SFHA or suffered from repeated flooding or health threats that can be tied back to Hurricane Michael. The budget for each property is determined by the present date's Property Appraiser's value for the Fair Market Value of the property including land and the single-family housing structure.

Bay County VHB consists of five steps:

Step 1. Registration/Application

1. Registration

The County conducts outreach to local residents in order to gauge interest and participation in the VHB. Preliminary information will be collected during this process to begin assembling and organizing a list of potential applicants.

2. Pre-Application Review

The pre-application review is used to review preliminary data collected on the applicant and the applicant's property through the initial outreach and registration processes. Bay County will submit property addresses to DEO for verification that applicants did not receive assistance from the ReBuild Florida Housing Repair and Replacement Program.

3. Application Intake

Contact the applicant to discuss the application process, provide information regarding the assistance available, inform the applicant of the documentation/verification requirements and discuss the next steps.

4. Application Processing

A review will be conducted to verify that there are no issues requiring further investigation and inquiry based on materials provided by the applicant and internal review of the property and site location. If site issues are identified during application processing, a site visit may be required. Application processing will include but is not limited to:

- a. Property Ownership Verification
- b. Primary Residency Verification
- c. Determination whether home is owner-occupied
- d. Determination whether home was occupied by applicant prior to Hurricane Michael or purchased after Hurricane Michael
- e. Obtain Consent and Release Forms
- f. Verification of Household Size

5. Prioritize Project Sites

Prioritize applicants based upon Local, State, and Federal Prioritization criteria.

6. Eligibility Determination

Verification and calculation of household income, ownership status, clear title, current payment of property taxes, determination of property location/eligibility, etc.

- a. National Objective-Determination of LMI or LMA for the Bay County VHB Program.

7. Duplication of Benefits

Verify DOB (Insurance, FEMA, SBA, NFIP, USDA, Etc.) This financial process must meet federal requirements. The information and documentation will be collected as part of the application.

8. DEO Approval

Submit application per property to DEO for approval

9. Bay County Project Administrator Review)

Applicants verified and approved by program staff for participation in the VHB will be submitted to BCPA for review and approval.

10. Applicant Support

Complete program documents with case manager/assess need for relocation advisory services. Assign relocation advisory services as needed/requested.

Step 2. Determine Buyout Values

1. Historic Preservation and Environmental Review
CDBG-DR buyout assistance is contingent on compliance with NEPA, and related environmental and historic preservation legislation and executive orders found at 24 CFR Part 58. Accordingly, environmental review activities are carried out in conformity with CDBG-DR requirements and documented prior to commitment of funds.
2. Property Appraisal and Value Calculation
The County will utilize an independent appraiser to conduct property appraisals. Properties will be valued at Post-Disaster Fair Market Value for the land and single-family home based on its current condition.
3. Housing Replacement Assistance
The VHB allows a Housing Replacement Assistance incentive of up to \$25,000 for applicants that buy a new home within Bay County that is worth more than the property offered for Buyout or for other allowable costs as directed by DEO.
4. Award
Once an owner and their property has been determined eligible, they will receive an offer to purchase. The offer will take into consideration the Post-Disaster Fair Market Value and any Duplication of Benefits. Owners or displaced occupants receive information regarding available resources to help with the move.
5. Commitment
The program will submit properties that wish to receive the award to the Bay County Project Administrator for funding approval. All properties must be reviewed and approved by the BCPA before payment can be made.

Step 3. Purchase of Property

1. County approves closing documents including the Contract, Restrictive Covenant, Legal Notices for Demolition, Title Search, and Title Insurance.
2. Closing occurs/title transfers to Bay County

Step 4. Conduct Clearance and Demolition

1. Deliver Legal Notice if required
2. County preps to conduct the demolition and haul "In House".
3. County or it's procured contractor will obtain any necessary permits to conduct the demolition.
4. Pre-demolition photographs will be taken of the property. During and after demo photos will also be collected.
5. Inspection of the property by County Staff prior to and after demolition.
6. Demolition, Haul, and Grade property.

Step 5. Open Space Management

1) Land Management

Properties will be managed and maintained by the County. The County intends to maintain the properties as open space but may consider other allowable uses as other planning or funding opportunities present themselves.

2) Restrictive Covenant

Properties acquired through the Bay County VHB must have a restrictive covenant running with the property and require that the buyout property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

- a) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management.
- b) No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than allowable uses under HUD.
- c) After receipt of assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity.
- d) Following closing, the recorded deed is maintained by the Clerk of the Circuit Court and Comptroller and in the related program file. The County will add the property to its list of properties to be maintained. Bay County is responsible for the maintenance of the property. The County will provide mowing, tree trimming, weed eating, and debris removal services with County staff or through contractors as necessary.

Intake

Applicants must call or e-mail the Bay County VHB Program to complete the application. When applicants are in the initial entry status of application submission, they will be assigned a case manager who will assist with the application process. Although this is a voluntary program, with the assistance of the applicant, it is the goal of the program to have the required documents necessary for a broad review for inspections, environmental assessment, and appraisals within 120 days.

Prior to the initial meeting, the assigned case manager will provide the applicant with a list of documents necessary for the intake appointment in accordance with the Required Documents Checklist. (See Appendix A).

Once an applicant has an assigned case manager and attends the intake appointment utilizing COVID protocols, the case manager can schedule appointments with their assigned applicant directly for all necessary follow-ups. All meetings, calls and correspondence will be recorded in the applicant's application file and system of record.

Appointment Management

It is the responsibility of case managers to review and be prepared for their appointments on their calendars. Every Friday, the case manager will provide the Program Manager a calendar for the upcoming week of scheduled meetings. The case manager will maintain a daily calendar for scheduled meetings.

Application Pre-Check for Walk-in Buyout Program Applicants

Before starting an application, case managers should conduct the following pre- screening to identify if applicants meet the basic eligibility criterion.

Program Overview by Case Management and supporting Staff

At the beginning of the Intake process, the case manager will explain the VHB program, the different roles of the VHB Staff and the applicants and clearly identify documentation required for the program. The assigned case manager will remain the applicant's primary point of contact throughout each step of the Program. While there are additional steps that will be carried out by other personnel, and professionals (such as appraisers, inspectors, etc.), the applicant has one case manager assigned to them, to serve as their dedicated advocate who will help them navigate this fairly complex process from beginning to end.

- 1) During this overview, the case manager shows the applicant where the next steps will lead, where one step begins and ends. The case manager then explains that the case manager will be in touch again if additional information is needed to complete the application.
- 2) The information and documentation that the case manager collects from the applicant will be used to determine whether the applicant is eligible and to move the applicant onto the next stages of the Program, so it is very important that the applicant provides all current and accurate information. Any inaccurate or incomplete documentation could delay or cause the applicant's application to be deemed ineligible.

Completing the Voluntary Buyout Program Application

All Buyout Program applicants are required to complete a Buyout Program paper application. Even if an applicant has a Bay County Housing application in the system of record, they will be required to complete the Buyout Program application and complete the associated forms. This is necessary as the new application will provide the Program with updated information, contains different certifications, and has different information requirements.

Therefore, if the applicant does not already have an active Buyout application in the system of record, case managers will complete a new paper Buyout application for this program.

Once the paper application is complete, the case manager scans and uploads the application to system of record and returns the original after making a copy to put in the paper file.

Documents That Must Be Signed During Initial Intake

- 1) Consent to Release Form
 - a) This document with the homeowner's consent allows the Program to verify any third-party data necessary to complete a verification of benefits review.

- 2) Stop Work Requirement/Construction Notice
 - a) This document informs the homeowner to stop work at the time of application submission.
 - b) **NOTE:** Failure to stop work will result in an applicant ineligibility to the Program unless otherwise approved by the subrecipient as a necessary emergency repair(s).
- 3) Appeals/Grievance Procedure
 - a) This document informs the homeowner of their right to appeal any Program decision and includes the timeframe in which an appeal needs to be submitted to the Program.
- 4) Appeals Receipt
 - a) This document is to be completed by the homeowner and acknowledges they have received the appeals/grievance procedure.
 - b) **NOTE:** This form must be collected at the point in which the applicant is disbursed an offer to purchase.
- 5) Lead Safe Certified Receipt
 - a) This document is to be completed by the homeowner and acknowledges the Receipt of the 'Protect Your Family from Lead in Your Home' brochure.
 - b) **NOTE:** Structures built before 1978 must be inspected for lead-based paint hazards and must comply with the Lead Safe Housing Rule
- 6) Income Certification
 - a) This document is to be completed by every adult in the household (18 years and older) that does not file a 1040 tax return.
- 7) Zero Income Certification
 - a) This document is to be used when the household member (18 years and older) reports \$0 income for the current tax year on the income certification form.
- 8) No Insurance Certification
 - a) This document is to be used when an applicant indicates in the application that no insurance policy was in effect on the damaged property address at the time of Hurricane Michael (October 10, 2018).

If an owner/occupant has informed that tenants live(d) at the home, the following notifications should also be included in the intake packet, in addition to the documents listed above:

- 1) General Information Notice (GIN) for Owners and Tenants
- 2) URA/ "Move In" Notice for Prospective Tenants and Certification
- 3) Certification of Landlord and Tenant URA Responsibilities

Documents That Must Be Collected During Intake

- 1) Photo Identification
- 2) Declaration of Lawful Presence
- 3) Proof of Ownership and/or Mortgage Statements if applicable
- 4) Proof of Occupancy/Primary Residency of indicated property
- 5) Any before/after pictures of property if available
- 6) Copy of the most recent (2020) IRS 1040 tax return, and/or any other proof of income for adults 18 and older
- 7) Copies of Insurance Policies or proof of payments received for Hurricane Michael

- 8) Copies of all other assistance received from FEMA, SBA, or other local, state, or federal disaster entities, including charities

NOTE: Please refer to the Required Documents Checklist for list of acceptable documents and Program forms.

At the Conclusion of the Intake

The case manager is required to:

- 1) Create a new application in system of record for the applicant
- 2) Copy the information as entered on the paper application into the system of record
- 3) Upload all documents provided by applicant, completed Program forms, and application to the **Voluntary Home Buyout Folder in the system of record (SharePoint).**

After ensuring that the documents received have been redacted as needed and placed in order, the case manager is to ensure that all paper copies are placed in the applicant's file or copied if they are originals.

Document the meeting in the applicant's file and system of record, providing a summary of the meeting, outlining what was discussed with the applicant, and listing any remaining documents to be returned by the applicant to complete the file.

Responses Following Initial Meetings with Applicant

If incomplete:

- 1) The applicant will have to return with the missing documents and a note in the system of record indicating which documents the applicant has been informed to bring for their next visit
 - a) Utilize the Required Documents Checklist to identify any missing documentation the applicant is to bring to their next appointment, or signatures that are needed.
 - b) Scan all documents and return original copies to the applicant, even if the application is incomplete. Details on scanning documents is found in the following section.
 - c) Assure the applicant that they may reach out to you at any time, and you look forward to seeing them during their next appointment.

If complete:

- 1) Scan all documents and return original copies to the applicant including the Buyout Program application.
 - a) Verify that the applicant has completed all required forms
 - b) Assure the applicant that they can expect their case manager or Staff member to follow up within a week according to their communication preference.

Eligibility

Upon reviewing the file for Step 2 Eligibility Review, the file should be thoroughly reviewed by the case manager to confirm all Program required documentation has been submitted and uploaded to the file.

The following documents should be in the file:

- Consent and Release
- Stop Work/Construction Notice
- Zero Income Certification
- No Insurance Certification
- All credit card, social security, and bank account numbers should be redacted.

Initial Case Review for Completeness

After case managers have collected the documents, they should complete a thorough review to ensure that all information is captured in the applicant's file. Below is a detailed description of all documents required for each part of the application that the case manager should be aware:

Application – Form 1: Persons

Section A1-5: Designated to collect information on persons significant to the application, identifying all owners and household members. The two pages that make up Form 1—Persons are copied, as needed, to submit one form per each household member and owner. Any adult household members identified in Form 1—Persons, ALSO need to sign the application on the last page. Persons includes:

- The owner of the storm damaged property,
- Each person comprising the owner’s current household (including children), and/or
- Any tenants currently renting part of the storm damaged property.

Important:

Note for tenants: Any person who checks “Tenant” in Form 1—Persons, must complete questions A1-A7 of the application ONLY and receive a GIN.

Note for child household members: All children living in the household must be accounted for. Any parent or guardian who checks “Child Household Member” in Form 1, Section A to report on a child in the household must report on behalf of that child as well. Guardians reporting on children in the household ONLY provide information for that child in response to questions with asterisks, which are as listed:

- A1 – **Name** must match name provided in the tax returns or other verification of identity of documents (e.g., school identification).
- A1.1 – **Alternative Names** used that the person listed on the form is known by. Examples are name changes due to marriage, nick names, etc.
- A2 – **Date of Birth** must match date of birth shown in identity documents.
- A17 – For child only, number of months during the year the child lives in the household.

Supporting Documentation: Verification of Identity [Required]

Case Managers are to collect and scan the documentation from any adult household members identified in Form 1 to prove their identity. Each applicant and co-applicant must submit one of the following:

- Valid, unexpired U.S. passport: digital versions not accepted, given the citizenship requirements of the Program
- Valid, unexpired foreign passport: must be accompanied by an affixed, valid, unexpired U.S. Visa and I-94 Arrival/Departure Record.

- Valid, unexpired state driver's license or identification card
- Valid, unexpired U.S. permanent residence card
- Valid, unexpired military identification
- Certificate for Naturalization (Form N-550 or N-570)
- Certificate of Citizenship (Form N-560 or N-561)

Section A6-7: Contact Information

Case Managers collect contact information from applicants and indicate their preferred method of communication:

- Phone Number
- Secondary Phone Number
- Email Address AND
- Mailing Address, if different from the damaged property

Section A8: Establishing a Codeword

Case Managers work with applicants to identify a codeword they can use to interact with case managers and Staff over the phone. The codeword is established during the application intake session when the case manager is assisting the applicant with completing the application.

Section A9: Limited English Proficiency

The subrecipient is required to ensure meaningful access to agency services, Programs, and activities for LEP individuals. During intake, case managers are responsible for identifying applicants that have difficulty speaking or reading English and are responsible for ensuring that the following services are available to LEP individuals in accordance with the subrecipient Language Access Plan:

- Provision of an interpreter to translate to and from the applicant's primary language; and
- Translation of Program documents.
- Remote-in to provide translation to applicant
- Produce written translation for applicant

If an applicant requests LEP or Special Needs Services, whether verbally or in writing, case managers provide the services without requesting additional application documentation.

Section A10: Reasonable Accommodations for Individuals with Disabilities

The Buyout Program is accessible to all persons and operates in a manner that does not discriminate or limit access to Program services and benefits to persons with disabilities. Case Managers should indicate in System of record if an applicant requires an accommodation to ensure they receive appropriate services in all interactions.

To ensure that the Buyout Program is operating in compliance with Section 504 requirements of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA), subrecipient has assigned staff in accordance with its **Section 504 Compliance Plan** who:

- Ensure that interaction with Program staff is readily accessible and usable by persons with disabilities.

- Assist case managers and Staff in providing written and verbal communication to Program applicants regardless of their disability or limited proficiency with the English language, including sign language, interpreters, etc.
- Ensure that reasonable accommodation modifications to the applicant's home are part of a Program scope of work as applicable.
- Appropriately address any identified hearing, visibility, or mobility limitations of the applicant and/or applicant's household members as required by Section 504 and the Americans with Disabilities Act (ADA).
- Work with a disabled applicant's designee who has power of attorney or any nonprofit organization that is representing the applicant as needed.

All services listed above can be provided upon verbal or written request from the applicant. No additional documentation is required. Case Managers indicate in an applicant's file in System of record if they require special services to ensure they receive appropriate services in future interactions. If an applicant requests LEP or Special Needs Services, whether verbally or in writing, case managers provide the services without requesting additional application documentation.

Section A11, 15, 17: Household Size & Income

To determine LMI or LMA status, case managers collect income information from every adult member (age 18 and older) in the household.

Determining Household Size

Case Managers need to understand who should and should not be included in the household, and all the nuances and details associated with who is and who is not a household member for determining the household size. This information is critical for determining whether a house is low- to moderate- income and it must be complete and accurate in every file.

Household size is used to determine whether the applicant household's income falls under HUD's low to moderate income categories and to determine the appropriate national objective to apply. In determining the size of a household for the purposes of reporting income as part of this Program, HUD considers all persons who live in the same house to be household members. Household members may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share the same house. Case Managers do not include the following persons as household members when determining household size or when calculating annual household income:

- Foster Children
- Foster Aides
- Live-In Aides and Children of Live-In Aides
- Unborn Children (Not considered in household size for income eligibility calculation but considered for the bedroom count), or
- Children being pursued for legal custody or adoption who are not currently living in the household

Case Managers must include a child who lives in the house at least fifty (50) percent of the time and is named in a shared-custody agreement; applicants have the option to include permanently absent family members who can be classified as household dependents, such as children attending college or a family member in a nursing home, are live outside the household more than fifty (50) percent of the time. If

applicants are including a child named in a shared-custody agreement, regardless of the amount of time the child lives in the household, a copy of the shared-custody agreement must be provided and uploaded to the applicant's System of record file. As the size of households and their relative income does not have an impact on an applicant's standing in the Program, the decision to include or exclude members of the household is not a significant one.

Certifying Household Income to verify income eligibility for all applicants, all adult household members must provide the Program with income documentation. Or if they live in an LMA, Low-to-Moderate Area, a survey proving this information, as well as a document stating their unwillingness to disclose their income, will be put in place of the income documentation.

Table 1. 2020 Filing Requirements Chart for Most Taxpayers

IF your filing status is...	AND at the end of 2020 you were...*	THEN file a return if your gross income was at least...**
single	under 65	\$12,400
	65 or older	\$14,050
head of household	under 65	\$18,650
	65 or older	\$20,300
married, filing jointly***	under 65 (both spouses)	\$24,800
	65 or older (one spouse)	\$26,100
	65 or older (both spouses)	\$27,400
married, filing separately	any age	\$5
qualifying widow(er)	under 65	\$24,800
	65 or older	\$26,100

Citizens of the United States and resident aliens (as defined by the IRS as meeting the green card test or the substantial presence test for the calendar year), except those with gross incomes that fall below a certain level (Minimum Income Tax Filing Requirements) (<https://www.irs.gov/pub/irs-pdf/p501.pdf>), are required to file an income tax return with the Department of Treasury's Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The definition of adjusted gross income is based on this form, also commonly referred to as "the long form."

Note: not all applicants who qualify under "qualified alien" are required to file an income tax return, if they aren't green card holders or meet the substantial presence test. If this situation arises, the applicant must complete the Income Certification Form and provide the alternative documentation listed below for other situations where applicants do not file a tax return.

Case Managers will review the combined Adjusted Gross Income (AGI) of adult household members when certifying income. AGI is listed on the 1040 tax form. Households must certify that their current income has not increased more than twenty (20) percent over the reported adjusted gross income on

their most recent Form 1040 or other annual income documentation. If a household's income has increased more over twenty (20) percent of the reported Adjusted Gross Income, the household must submit current income verification documentation for their new income certification to be determined. **(Income is used for purposes of tracking national objectives and stacking those required by the Program, and in no way restrict participation in the Program.)**

Case Managers ask applicants to provide their most current tax return forms (IRS Forms 1040, 1040A, 1040 EZ, or 8879) for each adult household member, regardless of if they are a U.S. citizen or immigration status, to determine household income. The case manager notifies applicants that they must validate income for all adult persons in the household at the time of application and that additional income verification adjustments could occur at any time because of life-changing events (such as the loss of a job or change in the family composition). applicants are required to report such change of life events and their impact on household income if those events occur prior to closing, or if they have been an applicant for over a year.

- 1) If the applicant provides the 1040 Tax Return, the case manager scans and upload the document to the applicant's system of record file.
- 2) When the applicant says they have filed taxes but does not have proof, the case manager request that the applicant obtain a copy of their 1040 transcript from the IRS (<https://www.irs.gov/individuals/get-transcript>) and provide that transcript to the case manager for review. If the applicant fails to provide or is unable to provide a copy of their 1040 transcript, the case manager:
 - a) Informs the applicant they must submit complete documentation to the Program, or they are unable to advance through the 8-step process.
 - b) **Note:** This only applies if they HAVE filed a 1040.
 - c) Once received, case managers upload the returned document(s) from the IRS into the system of record.
- 3) **Important:** Persons who have filed and do not provide proof of filing may be determined as ineligible for the program. In this situation, the case manager will:
 - a) Record the circumstances of the missing 1040 transcript in the application notes,
 - b) Exhausts all options to support applicant in submitting needed documentation
 - c) This includes adding a detailed case note indicating all avenues and methods used to try and obtain required documentation and that the client failed to provide.
 - d) Upload all documents and case notes to system of record.

For households who are not required to file federal taxes because their gross income is below a certain level (see table above or IRS website for the current year), the Staff calculates income based on the current income received by the household after the application has been submitted. For members of the household who are 18 or older who did not file an IRS Form 1040, the case manager must collect at least one of the following documents from each source of income received and have the applicant complete the Income Certification Form:

- 1) Current and Consecutive Check Stubs for three months
 - a) For persons paid weekly, this equals twelve consecutive paychecks
 - b) For persons paid bi-weekly or bi-monthly, this equals six consecutive paychecks
 - c) For persons paid monthly, this equals three consecutive paychecks
- 2) Pension Statement showing current monthly/yearly gross amount

- 3) Social Security Statement (e.g., SSA-1099 or SSA-1042S)
- 4) Unemployment Statement (e.g., 1099-G) (If Unemployed)
 - a) Other Form 1099s (e.g., 1099-MISC, 1099-R, etc.) documenting income received from an entity or person that is not an employer.
- 5) Upload all documents and case notes to system of record

Supporting Documentation: Income Certification [If Applicable]

If the 1040 tax return is required, but cannot be obtained, and Staff has exhausted all options listed to obtain income documents for the applicant(s), the case manager instead uses the Income Certification Form. The case manager will upload all documents and case notes to system of record.

Supporting Documentation: Certification of Zero Income [If Applicable]

If the applicant or household member reports no income, they must complete the Certification of Zero Income. If the person receives periodic gifts, alimony, etc., then they do have an income and must fill out the Income Certification. The case manager will upload all documents and case notes to system of record.

Supporting Documentation: Use of LMA Survey over personal Income.

If the applicant chooses to identify as living in a Low-to-Moderate Area, they will sign a document stating they have chosen not to disclose their financial information, and a survey of the street or HUD Census Block Area will be used, requiring a 51% or higher LMI percentage.

Section A12-13: Fair Housing---Race & Ethnicity

This section ensures compliance with federal Fair Housing and Equal Opportunity regulations and must be completed for each household member. HUD collects demographics to better understand how federal funds are utilized includes questions on race, ethnicity, female head of household, etc.

In addition to the objective of benefiting LMI and LMA persons, a priority of the plan is to support recovery for vulnerable populations. Vulnerability is a fluid term, which, depending on the vulnerability and hazard, can refer to a broad spectrum of the population with unique needs in the context of a disaster. This includes:

- Housing (transitional, supportive, permanent) for homeless or at-risk individuals
- Prevention of Low-Income Households (particularly below 30% AMI) from becoming homeless
- Individuals over the age of 62
- Female Head of Household
- Veterans
- Service-Disable Veterans
- Individuals that require ADA accommodation
- Individuals that require LEP services
- Minority Status

*Per the Florida State Action Plan, other than LMI status, these may not be “stacked”.

Application-Form 2: Alternate Contacts

This form is to be completed by applicants ONLY. Other persons who completed Form—Persons and did not identify as an applicant do not need to complete Form 2—Alternate Contacts.

Case Managers strongly encourage applicants and co-applicants to identify one or two alternate contacts by explaining that in the event that staff are unable to reach applicants or co-applicants for an extended

period of time, they risk triggering the involuntary withdrawal process and being removed from the Program. For more details on the involuntary withdrawal, refer to the Overview SOP.

Alternate contacts can be any individual who the applicant or co-applicant feels has a reasonable chance of contacting them in nearly any circumstance; alternate contacts do not need to live in the same town, county, or state as the applicant or co-applicant. It is important to stress to applicants, however, that alternate contacts are those individuals that can be contacted by the Program if the applicant becomes non-responsive. By designating this person as an alternate contact, the applicant is not giving the Program permission to discuss or share any application information. The alternate contact is quite simply that, an alternate means of communication when the applicant cannot otherwise be reached.

Communication Designee

Application information can be shared with the alternate contact if the applicant has also designated that individual as a communication designee. A communication designee (CD) is someone the applicant has authorized to communicate on their behalf—sharing and receiving status updates, requesting documentation, or providing, it, etc. The person designated as the Communication Designee is NOT authorized to sign or approve any Program documents or make any Program decisions on behalf of the applicant unless they also hold a valid Power of Attorney (POA).

A communication designee is authorized to make inquiries with the Program regarding the status of an applicant's application. Case Managers may not communicate about an application with a Communications Designee unless that person has identification in their possession to prove their identity and provide the codeword the applicant selected for identification. Refer to the POA and communications designee sections of the SOP Overview for more details. Minors can be Communication Designees but must be able to provide photo identification.

To establish a Communications Designee, case managers follow the steps below:

- **Important:** A Communications Designee must have a photo ID verification.
- Provide the Communication Designee (CD) Form to the applicant and notify them that the CD must be verified using a government-issued photo identification that is scanned and uploaded to their applicant file.
- Once completed, the Case Manager uploads the Communications Designee Form to the applicant's file system of record and application file.
- The CD Form must be signed by both the applicant and Communication Designee.
- Multiple Designees require separate forms for each person.
- Revoking permission previously granted to a person/agency/Communication Designee must be submitted in writing.
- The Case Manager will upload all documents and case notes to the system of record.

Supporting Documentation Communication Designee [If Applicable]

- Applicant's Codeword
- Proof of Identity with government-issued identification

To verify an individual is the same person authorized by the Communication Designee Form:

- 1) Ask the individual for the codeword and applicant's name
 - a) If talking over the phone, ask for the applicant's codeword
- 2) If the name and codeword match the information in the system of record, you may proceed
- 3) If the name and codeword DO NOT match:
 - a) Check in system of record if the individual before you have instead been given power of attorney by the applicant.
 - b) If the individual has POA, kindly correct the individual and inform them they have power of attorney and are not the Communication Designee, and explain the difference between the two roles, if necessary.
 - c) IF the individual is NOT the delegated POA, inform the individual you are not authorized to share information with them unless authorized by the applicant.
- 4) Upload all documents and case notes to the system of record.

Power of Attorney

In order to make application decisions or execute documentation encumbering the property (e.g., the grant and subrogation agreement, closing/title documents, etc.) an individual must be designated as a power of attorney (POA).

Any applicant or their agent may submit a signed and notarized POA which allows the agent the right to act in the same capacity as the applicant for all actions related to the application. CASE MANAGERS may not communicate about an application with a POA unless that person can provide identification to prove their identity and can provide the applicant's codeword. Refer to the power of attorney and communications designee section of the Overview SOP for more details.

To establish and verify power of attorney, Case Managers follows the following steps:

- 1) Collect a signed and notarized Power of Attorney Form (there is no standard form).
 - a) Review the document to determine the type of power granted and ensure it is a fully executed POA, to the named agent, (i.e., property owner), and confirm the document has been signed, notarized, and recorded with the local county's records office.
 - b) If the form is not notarized, it is invalid and cannot be accepted by a case manager.
 - c) Inform the applicant and/or the individual they are attempting to empower with POA that the form is incomplete and cannot be accepted until it is properly notarized.
 - d) The applicant's name must be clearly written
 - e) If the applicant's name is not clearly written, the form may need to be redone. In this situation, the case manager saves a digital copy of the form to the system of record and contact the Buyout Program superior for review.
 - f) Inform the applicant and/or the individual they are attempting to empower with POA that the form is incomplete and cannot be accepted until it is properly and clearly completed. The signature date on the form must match the notarization date.
 - g) If the dates do not match, the form must be redone.
 - h) Inform the applicant and/ or the individual they are attempting to empower with POA that the form is incomplete and cannot be accepted until it is properly completed with the appropriate dates.
- 2) To verify a POA:

- a) The same person listed on the POA form must submit a government-issued photo identification that matches the name on the POA. The identification must be scanned and uploaded to the system of record, along with a copy of the fully executed POA.
- b) Ask the individual for the codeword.
- c) If the name and codeword match the information the applicant has provided, proceed.
- d) If the name does not match the POA in the system of record, or if there is no POA listed, check to see if they are listed as a Communication Designee.
 - i) If the individual is the Communication Designee, kindly correct the individual and inform them they are the Communication Designee and not authorized with the power of attorney and explain the difference between the two roles, if necessary.
 - ii) If the individual is also NOT a Communication Designee, inform the individual you are not authorized to share information with them unless authorized by the applicant.

Application Form—3: Basic Eligibility Information

This form provides basic information concerning the damaged property (i.e., physical address of damaged property, floodplain information, and other names on the deed).

Section B1: Previous Request for ReBuild Assistance

Applicants must disclose previous requests for assistance they applied for with Bay County VHB and the address associated with the application.

Section B2: Property Damage

Applicants are asked to identify if the property was damaged or destroyed by a presidentially declared disaster or if the property is in a DRRRA. In B2.1, applicants are asked to indicate the storm(s) that damaged their property—Michael or otherwise.

Acceptable forms of documentation that may be used to verify storm damage include:

- NFIP report or documentation documenting claim or payment for damage related to the storm
- Insurance damage estimate for damage related to the storm
- FEMA Letter documenting request for, or funds received for damage related to the storm.
- SBA Letter documenting request for, or funds received for damage related to the storm
- Photographs/videos with a timestamp from or immediately after the date of the storm.
- Inspection or engineer's report documenting damage or related to the storm.

If the storm damage cannot be verified by the documentation sources listed on the Required Documents Checklist, applicants may submit and request consideration of additional documentation. If alternative document is submitted, case managers will inform the applicant that alternatives may not be sufficient to demonstrate storm damage from the applicable disaster.

If property is not damaged by the storm, the applicant will be ineligible for Buyout. Case Managers note the lack of storm documentation in the system of record. Please keep in mind that it is not the role of the case manager to relay that the file is ineligible due to insufficient storm damage, that information will be relayed by the Eligibility Staff member. The property's location in the DRRRA in and of itself is not enough evidence of storm damage.

If an applicant lives in a dually impacted zone, case managers should request storm damage verification from all storms and flood events, although the applicant is only required to demonstrate damage from the hurricane for which they are applying for recovery funding. Case Managers will verify applicants are only submitting documentation to verify damage from the disaster for which they are seeking funding. Any documentation from subsequent disasters is only for the purpose of proving repeat flooding and damage.

Supporting Documentation: Evidence of Storm Damage [Required]

Documents collected must prove evidence of storm impact via one of the following:

- NFIP or other flood insurance documentation such as a copy of the insurance payout letter approving a claim
- FEMA award (structural)
- Repair estimate dated after date of the storm and before any subsequent disaster
- **Note:** Estimates should be provided on company letterhead from a business that can be reasonably verified by a simple internet or white pages search. Estimates submitted as editable word docs or “back of the napkin” estimates cannot be accepted.
- SBA loan approval for repair or replacement
- Homeowner insurance approval or denial letter for repairs due to the storm/flood
- Other documentation verifying physical losses (e.g., bona fide estimate, letter from local government, etc.) or
- MHU: Salvaged Title dated after Hurricane Michael, October 2018
- If above documentation is not available, dated photographs of the initial damage may be submitted, however, additional supporting documentation will be needed.

Section B3-5: Type of Unit Ownership, Occupancy

Applicants identify the type of unit (single-family residence or MHU) that was damaged or destroyed. During the time of the disaster, did the applicant own the residence and/or occupy the unit as a primary residence? Applicants note details of the property ownership. Case Managers must collect the supporting documentation for verification of ownership and occupancy.

Supporting Documentation: Verification of Ownership [Required]

Single-family Residence: One of the following documents must be collected with the applicant’s name and dated pre-program completion.

- Deed of trust or title to the property **AND**
- Warranty Deed **OR**
- Deed of Trust (One of the applicants must be the trustee and the trust document or an abstract or extract from the Trust must be recorded in BC at a minimum) **OR**
- Gift Deed (If recorded in public record), **OR**
- Quit claim deed
- Verification that taxes are current **AND**
- Recent mortgage statement showing current principal loan balance *if the applicant does not have a mortgage, make a note in the case notes.

Note: The deeds collected should collectively include all owners to the property. While some deeds may list all landowners and their respective rights in one document, in other cases the landowners may have different rights to certain deeds. There may be a need to collect multiple deeds in order to reflect all owners' rights to the property.

Manufactured Housing Unit: Documents must be collected that prove unit/property and land ownership, dated pre-program completion, in the applicant's name, and the VIN number.

Ownership of Land and MHU:

- Tax Assessor records showing land with manufactured home assessment in the name of the applicant

MHU Ownership:

- A certificate of title from the DMV **OR**
- Title from the county land records showing manufactured home ownership **OR**
- Bill of sale or another act executed by the applicant as transferee and the previous owner or dealer as transferor **OR**
- Purchase agreement **OR**
- Property tax bill listing manufactured home and applicant's name

Proof of Land Ownership:

- Deed of trust or title to the property **AND**
- Warranty deed **OR**
- Deed of trust (one of the applicants must be the trustee and the trust document or an abstract or extract from the trust must be recorded in Florida, at a minimum) **OR**
- Gift deed (if recorded in public record) **OR**
- Quit claim deed. Verification that taxes are current **AND**
- Recent mortgage statement showing current principal loan balance *If Applicable.
- **Note:** Property tax statements alone may be sufficient to indicate both unit and land ownership if the unit is real property and affixed to the land.
- **Note:** Mortgage/Loan statement and property taxes will need to be collected as part of Section C12 and Section C13 respectively.

Supporting Documentation: Verification of Occupancy [Required]

Documents must be collected in the applicant's name, the damaged property address, and is dated pre-program completion.

- Tax Record/Bill **OR**
- County Assessor's Records **AND**
- One of the following:
- FEMA Letter indicating award for home repairs or contents
- Copy of utility bill (gas, water/sewer, electric; damaged property address must be on statement in one of applicant's name and indicate that service was active during October 2018, or if purchased post-October 2018 that it was in place during a subsequent flood event.)
- Utility letter reflecting usage of services indicative of occupancy

- Other case-by-case accepted documents

Section B6: Displaced

Applicants note if they are currently displaced from the damaged/destroyed unit

Section B7: Previous HMGP Approval

Requests for applicant submit if they have been previously approved to receive Hazard Mitigation Grant Program (HMGP) assistance related to a presidentially declared disaster within the last five years. Programs can include elevation, acquisition, or mitigation reconstruction.

Although the applicant may have been approved, they may not have accepted the grant. This is verified later during Step 3: Verification of Benefits of the 8-step process.

Section B8: Confirming U.S. Citizen, National, or Qualified Alien

This section asks the applicant if they are a U.S. Citizen, national, or hold a qualified alien status. There is also a page at the end of the application that elaborates on this question, the Declaration of Eligible Immigrant, that the applicant must complete—details are provided later in this section.

Supporting Documentation: Verification of Citizenship or Qualified Alien Status [Required]

Applicants must complete the Declaration of Eligible Immigrant page of the Application. In addition, provide one of the following valid and unexpired forms of documentations

Citizenship:

- US Passport, **OR**
- US Birth Certificate, **OR**
- Certificate of Naturalization (Form N-550 or N-570), **OR**
- Certificate of Citizenship (Form N-560 or N-561)

Qualified Alien:

- Valid, unexpired Permanent Resident Card (Form I-551) **OR** Valid, unexpired foreign passport accompanied with an affixed, valid, unexpired U.S. Visa and I-94 Arrival/Departure Record, annotated with one of the following:
 - a) Admitted as a refugee, pursuant to Section 207
 - b) Section 208
 - c) Section 243(h) or “Deportation” stayed by the Attorney General
 - d) Paroled pursuant to Section 221 (s)(5) of the USCIS
- Valid, unexpired foreign passport accompanied with an affixed, valid, unexpired U.S. visa and I-94 Arrival/Departure Record, with no annotation and one of the following:
 - a) A final court decision granting asylum (only if no appeal is taken)
 - b) A letter from an USCIS asylum officer granting asylum (if application was filed on/after 10/01/90) or from an USCIS district director granting asylum (if application was filed before 10/01/90)
- A court decision granting a withholding of deportation
- A letter from an asylum officer granting a withholding of deportation (if application was filed on/after 10/01/90)

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified.

Application Form—Form 4: Damaged Property

Section C1-8, and Section C11: Damaged Property Details

Like Section B, this part of the application delves into more details of the damaged property, including the address of the damaged property (which may differ from the address listed on Form 1), ownership of structure, land, and tenant details.

Section C9-10.1: Landlord/Tenant Information

If the property owner rented out the entire damaged property or part of the damaged property (such as a “mother-in-law suite” or even a room for a roommate) at the time of the storm or any time thereafter, the applicant is required to provide information in this section on the situation including the name of the tenant(s) and dates of tenancy. Determining whether there is a renter in the property is very important, as tenants may be entitled to Uniform Relocation Act, (URA) benefits. In such a case, the case manager will notify and create contacts for the tenants in the applicant’s file in system of record and notify URA staff, so that proper URA procedures may be executed.

Section C12: Mortgage Details

The program requests that the applicant disclose if the property has a mortgage (lien) or other lien(s) and its subsequent details, applicants with existing mortgages are required to satisfy their mortgage, (by paying it of themselves or using Buyout funds to satisfy these debts before money is released to the applicant), with their mortgage provider prior to the Program’s acquisition of the property.

Supporting Documentation: Recent Mortgage Statement [If Applicable]

Applicants with a mortgage must provide a recent mortgage statement for all deeds on the property showing current principal loan balance and that the homeowner is current on the loan payments.

Section C13: Property Taxes

The program requests that applicants disclose if their property taxes on the damaged property are current. If not, they may be deemed ineligible.

Supporting Documentation: Property Taxes [Required]

To verify that all property taxes are current and up to date for both single family and manufactured housing units, the applicant must provide their most recent tax documentation

Application—Form 5: Homeowner’s Insurance

This form asks the applicant to list all homeowner insurance companies or equivalent insurance for MHUs covering the property on the date of the disaster. Documentation must be provided for verification.

If the applicant reports there was no insurance policies on the damage property at the time of the disaster, the applicant must submit a Certificate of No Insurance Form.

Section H1-3: Policy Details

This section notes the basic information on the insurance policy that the applicant held at the time of the presidentially declared disaster.

Section H4-5: Policy Claims, Appeals, or Lawsuits

This section details any claims submitted to the insurance company for damages associated with the presidentially declared disaster and any subsequent appeals or lawsuits.

Supporting Documentation: Home Insurance Policy, Claim Letters, Certificate of No Insurance [If Applicable]

Collect a copy of the current homeowner's insurance policy. It must be in one of the applicants' names, up-to-date, and note the damaged property address. Homeowner insurance approval or denial letters of funds for repairs or other purposes requested for the damaged property following the date of Hurricane Michael in October 2018, as well as any claims statements for loss to the damaged property address. The applicant must fill out a Certificate of No Insurance if they report no insurance policies at the time or Hurricane Michael or following the incident. It certified the applicant is not entitled to any payments under any insurance policy for losses associated with the damage to the property described above.

Application—Form 6: Flood Insurance

This form requests applicants to provide information on any active flood insurance policies covering the property on the date of the disaster and thereafter. Documentation must be provided for verification, and Flood Insurance policies cannot be expired and must be up to date.

If the applicant reports there were no insurance policies on the damaged property at the time of the disaster, the applicant must submit a Certificate of No Insurance Form.

Section I1-6: Policy Details, Claims, Appeals, Or Lawsuits

Like previous insurance sections, this includes information on the policy, claims, appeals, or lawsuits the applicant is involved in.

Supporting Documentation: Flood Insurance Policy, Claim Letters, Certificate of No Insurance [If Applicable]

Collect a copy of the current flood insurance policy, the policy in effect at the time of the presidentially declared disaster, and an active flood policy for every year between the date of the disaster and the current flood policy. The damaged property address must be noted as the insured property.

Flood insurance approval or denial letters for funds for repairs or other purposes due to the flood requested for the damaged property, dated after October 10, 2018, as well as any claims or statements for loss to the damaged property. This includes the National Flood Insurance Program (NFIP) settlement standards. The applicant must fill out a Certificate of No Insurance if they report no insurance policies on the damaged property at the time of Hurricane Michael or following this incident. It certifies the applicant is not entitled to any payments under any insurance policy for losses associated with the damages to the property described above.

Application—Form 7: Other Insurance

This form lists all other insurance companies (or equivalent insurance for MHUs) covering the property on the date of the disaster. Documentation must be provided for verification.

If the applicant reports there were no insurance policies on the damaged property at the time of the disaster, the applicant must submit a Certificate of No Insurance Form.

If no other insurance policies were in place and the applicant did provide documentation of homeowner and/or flood insurance on the damaged property at the time of the disaster, this section may be marked with “N/A” for not applicable.

Section J1-7: Policy Details, Claims, Appeals, or Lawsuits

Similar to previous insurance sections, this section includes information on policy, claims, and appeals or lawsuits.

Supporting Documentation: Insurance Policy, Claim Letters, Certificate of No Insurance [If Applicable]

Collect a copy of the current insurance policy. It must be in one of the applicants’ names, up to date, and note the damaged property address. Insurance approval or denial letters of funds for repairs or other purposes requested for the damaged property following the date of Hurricane Michael in October 2018, as well as any claims statements for loss to the damaged property address. The applicant must fill out a Certificate of No Insurance if they report no insurance policies on the damaged property at the time of Hurricane Michael or following this incident. It certifies the applicant is not entitled to any payments under any insurance policy for losses associated with the damage to the property described above.

Application—Forms 8-9: Other Assistance Sources

To be compliant with the Robert T. Stafford Act, during application intake, Case Managers collect information on all disaster recovery benefits or services applicants have received in conjunction with that or subsequent disasters, as any duplicative benefits may be deducted from a Bay County VHB offer to purchase.

Benefits received from other sources are not always considered a duplication of benefits, but this is determined during the DOB review later in the process. Gather all other sources of financial, housing, or other assistance (local, state, federal, and private sources) received by the applicant.

This could include such services or benefits as home construction, temporary housing, donations, and other recovery services or assistance from local non-profit organizations, churches, state and/or local agencies.

Section K1: Other Disaster Assistance

Applicant must disclose if they have applied for assistance for damage done to their home, caused by a presidentially declared disaster from any source—including local, state, federal, and private. If the answer is no, they skip the sections that follow.

Section L1-5: FEMA Assistance

Applicant must provide FEMA registration numbers submitted for the damaged property after the storm date (October 10, 2018). As well as the approved assistance amounts for structural damage, temporary rental assistance, and any other assistance.

Section M1-4: SBA Loans

Applicant must provide SBA Loan registration numbers submitted for the damaged property after the storm date (October 10, 2018). As well as the approved assistance amounts for structural damage, temporary rental assistance, and any other assistance.

Supporting Documentation: FEMA Assistance Documentation [If Applicable]

- FEMA Letter of Denial of Assistance, **OR**
- FEMA Letter of Provision of Assistance **AND**
- All amounts of funds provided and the purpose of the funds.

Supporting Documentation: SBA Loan Documentation [If Applicable]

SBA Loan Acceptance or Refusal/Cancellation Documentation, specific to the applicants' damaged property address and requested after Hurricane Michael. The applicant is required to complete (and get notarized) the Affidavit of Subsidized Loan Form if the applicant has an active and available subsidized loan, cancellation of the loan, or if the applicant declined a loan that was approved by the SBA. In the case of declined loans, it is only necessary to obtain a completed notarized Affidavit Form from the applicant when the SBA data *DOES NOT* indicate that the applicant declined the loan.

Applicant must submit SBA application numbers and the approved loan amounts related to the damaged property, noting the purpose of the loans and whether they were accepted, declined, or canceled.

Section N1: Other Sources

Applicant must submit any other assistance they received following Hurricane Michael related to the damaged property for home repair, replacement, buyout, or relocation. Other assistance sources can include the Red Cross, United Way, State Acquisition Relocation Funds (SARF), etc.

Supporting Documentation: Other Assistance Documentation [If Applicable]

- Disaster Recovery Act (DRA) statements of Assistance
- Documentation of other assistance, including other local, state, or federal programs used to repair or rebuild the home.
- Documentation of other assistance from nonprofit organizations used to repair or rebuild the home.

Application—Declaration of Eligible Immigrant

In order to be eligible to participate in the Bay County VHB Program, a member of the household must submit documentation demonstrating that they are a U.S. Citizen, Non-Citizen National, or Qualified Alien of the United States.

Application—Applicant Authorization

Case Managers must review each piece of this section with the applicant as it authorizes the State, its agents, assigns, and contractors to obtain information about the applicant and their household to determine eligibility. It also certifies that they understand:

- A photocopy of this form is as valid as the original **AND**
- The applicant has the right to review information received using this form **AND**

- The applicant has the right to a copy of information provided to the subrecipient and Bay County VHB and to request correction of any information the applicant believes to be inaccurate **AND**
- All adult household member must sign this form and cooperate with the subrecipient and Bay County VHB for purposes of eligibility verification.
- Under Title 18, Section 1001 of the U.S. Code, the applicant is advised that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

Consent to Release Form [Required]

States that the applicant(s) gives consent for the Bay County VHB Program to obtain or disclose information on the applicant from the sources below, to establish eligibility and potential award.

- FEMA
- Small Business Administration (SBA)
- Homeowner Insurance Providers
- The National Flood Insurance Program (NFIP)
- Other Organizations

For eligibility, the insurance policy holder must sign a Consent to Release Information Form and must include the owner's name, date of birth, current address, property damage, and signature.

Right of Entry Permit [Required]

The applicant authorized employees, agents, and contractors that collectively make up Bay County VHB right of access and entry to the property for three years for the purpose of obtaining information needed by the Buyout Program, including but not limited to:

- Inspections on the Property
- Environmental Reviews
- Appraisals
- Surveys
- Remediation Work **AND/OR**
- Demolition Planning Work on the property if acquired under the Buyout Program

By signing this document, applicants have a duty to inform the Program of any unsafe conditions. The applicant may cancel authorization at any time.

Stop Construction Notice [Required]

In order to be in compliance with federal regulations, the applicant agrees that they will stop any construction work underway or planned for their damaged property as of the date of their application with the Buyout Program, even if funded with their own funds. Applicants who do not comply may be ineligible for the Program **UNLESS** the repairs are needed for the occupants' health and safety until the Buyout Process is completed.

Voluntary Withdrawal [If Applicable]

Applicants may choose to voluntarily withdraw from the Program at any point up until closing, and all owners of the damaged property must be in agreement to withdraw from the program.

Application—Applicant Certifications

Finally, case managers shall provide the applicant a copy of the ‘Protect Your Family from Lead in Your Home’ brochure from the EPA, a copy of the Bay County VHB Buyout Program Appeal Procedures, and review the following certifications that the applicant makes to the Program:

- All information provided and submitted in support of this application is true and complete to the best of my knowledge and belief.
- I am aware that any misrepresentation in this application will result in the forfeiture of my right to participate in the Bay County VHB (“the Program”) and may result in legal action being taken against me. I understand that completion of this application does not guarantee my eligibility for the Program.
- I certify that the property for which I am submitting this application was my primary residence at the time of the qualifying disaster.
- I agree to accept services provided by the Program and authorize the Program to provide guidance regarding Buyout–related services for my property. I further agree to hold harmless the employees, members, and officers of the Program in connection with acts performed by them, including, but not limited to consultation(s), technical advice, appraisal(s), financial counseling, loan processing, property inspection(s), and other related activities.
- I authorize Program staff to obtain records, including, but not limited to, personal income reports, property title and tax record, inspection reports, repair specifications, cost estimates, contractor bids, and other reports that Program staff deem necessary. I understand that information in this application may be shared with outside parties for the purpose of third-party verification and for funding compliance.
- I understand that funding for the Bay County VHB is contingent upon the availability of CDBG–DR and/or CDBG-MIT funds provided by the U.S. Department of Housing and Urban Development (HUD). Because Program funding is limited, I understand that it is possible that not all eligible applicants will receive benefits under the Bay County VHB.
- I certify that I have received a copy of the appeals process for the Buyout Program and understand that I may appeal any determination made by subrecipient or its agents regarding my eligibility for the Program or potential offer amounts.
- I certify that I have received a copy of the “Protect Your Family from Lead in Your Home” brochure.
- I understand that completion of the application does not guarantee my eligibility for this Program. Further, I understand that participation in the Buyout Program is voluntary and that I may withdraw my application at any time up until closing. Similarly, I understand that the subrecipient, Bay County, may decide not to approve my application or proceed to closing.
- I understand that any changes to my household size, status, or income, or any financial disaster assistance I have applied for, committed, or received must be reported to the Program at the earliest opportunity. I understand that any disaster assistance I have received may be considered a duplication of benefits and may impact an offer to purchase and/or incentive amount(s) for which I am eligible if such offer(s) are made by the Program. Further, I agree to assign and/or enter into a repayment agreement for such funds to the subrecipient, Bay County, and/or the Bay County VHB if necessary.

- I understand that by applying for the Bay County VHB, that I am applying for assistance through the Community Development Block Grant-Disaster Recovery (CDBG-DR) and/or the Community Development Block Grant-Mitigation (CDBG-MIT) Programs. Furthermore, I understand that if I am eligible for the Buyout Program, there is sufficient funding available, an offer to purchase my property is made by the Bay County VHB, and I accept that offer to purchase, that CDBG-DR and/or CDBG-MIT funds will be the source of the assistance I receive

On the certification form, the applicant's signature indicates that they have read, understood, and agree to all statements in the application. Under penalty of perjury, they affirm that all information provided in the application is true and accurate to the best of their knowledge. They also agree to hold harmless the Bay County VHB, its employees, agents and assigns from liability for any damages that may arise as a result of my participation in this Program.

Unresponsive Applicants: Involuntary Withdrawal Process

The case manager is required to contact the applicant at least on a monthly basis. However, if applicants are unable or unwilling to provide documentation to meet the eligibility requirements, they may be ineligible for participation in the Buyout Program. If, at any time during the Intake Process and prior to moving to Step 2, an applicant becomes unresponsive for four (4) consecutive weeks without prior notice to the case manager of absence, the case manager begins the steps described in the involuntary withdrawal process.

Income Eligibility

Any person choosing to file as LMA will have a letter certifying they do not wish to disclose their income, and a survey of the area the residence is located in to substitute for Income paperwork.

The Adjusted Gross Income (AGI) of a household will be determined and verified in accordance with HUD approved Adjusted Gross Income methodology by utilizing the IRS 1040 "long form". IRS 1040 forms will be collected from all applicable household members. Dependents and their potential income will be recorded as indicated on IRS 1040 forms. AGI will be determined by adding all household members' income to calculate total household income. The case manager will conduct the eligibility review and complete the Income Verification Form for each application.

The Income Verification Form is a worksheet designed to collect all AGI data for all household members to calculate Total Household Income. This Total Household Income must meet the income eligibility criteria set by HUD for LMI qualified households to qualify under the LMI priority. This criterion changes annually, and the Program will use the 2021 figures. Bay County will use the IRS Form 1040 AGI method of income calculation unless the applicant did not file a Federal Income Tax Form for the most recent year.

If the applicant did not file an income tax return, then the AGI Worksheet method will be used to determine LMI and Urgent Need. The VHB will do a "snapshot" of the household's current financial circumstances, by using the last three paychecks, to project future income, using an assumption that today's circumstances will continue for the next twelve months, unless there is verifiable evidence to the contrary. AGI and Total Household Income calculations will be performed in accordance with the "Technical Guide for Determining Income and Allowances for the HOME Program". This is a self-study guide that provides an explanation as to the AGI calculation methodology. The Applicant's income is certified at the end of the income review process, and re-certified on an as-needed basis in accordance

with the Income Eligibility Policies and Procedures.

Property Eligibility

Homeowners who own a property in Bay County may be eligible to receive buyout assistance and will be prioritized accordingly. In order for the property to be eligible for the VHB, it must meet the following requirements:

- Located in any area within Bay County's jurisdiction that will not be managing their own Voluntary Home Buyout Program
- Have been damaged by Hurricane Michael in 2018 and is subject to repeat flooding or with severe Safety Hazards.
- The homeowner meets the LMI or LMA National Objective Requirement

Prioritization

Applicants will be prioritized by the following criteria.

- Hardship Cases, where the home has been deemed unsafe and unlivable, as well as households with terminally ill individuals, will take first priority when creating a list of whom will be served first.
- Those aged 62 and older will be next on the list.
- Those with disabilities will next be considered.
- Those with children.
- Those who do not meet these qualifications but are in the program will be last.

This criterion has been chosen and placed in this order to best aid the most vulnerable of our applicants and those who are unable to support themselves or fix their homes easily if they were to leave the program.

QC

Eligibility QA/QC

Case Managers review the application information to ensure it is complete and no required documentation is missing and submits the application for Step 1., QA/QC review. A Subject Matter Expert will review for eligibility prior to being evaluated for Duplication of Benefit.

Application QC

The QA/QC Staff will review submitted applications within three (3) business days of receiving the assignment. If the case manager has not received the file within the deliverable timeframe, the case manager follows up with the QA/QC Staff to determine when it will be complete. If the file **DOES** pass QA/QC, the case manager:

- Notifies the applicant that the application is now going to be reviewed for eligibility and, if applicable, that a new Staff has been assigned to them and will be handling the case going forward.
- The case manager sets up a time with the applicant to introduce them to the Staff who will be the new case manager, if applicable. As a primary case manager, they will be the applicant's advocate, will check in with them at least on a weekly basis and that they are here to help them through this journey. If they have any questions at all, they can reach out to the case manager.

If the file **DOES NOT** pass QA/QC, the Case Manager:

- Will contact the applicant to ask for the unreceived documents needed to complete the file. All interactions will be recorded in the system of record and the file.

Buyout Award QA/QC

Once calculated, the Award Calculation Team sends the Offer to Purchase Letter to the QA/QC Staff for a quality control check. Within three days, the QC Staff reviews the calculation.

- If the QC Staff rejects the award calculation: the QC Staff sends the award back to the Offer Award Calculation Team with a written explanation of the issue(s) and a request for corrections. The Offer Award Calculation Team may coordinate with the Staff in order to request more information from the applicant, if needed.
- If the QC Staff approves the award: the QC Staff notifies the Offer Award Calculation Team of the approval so they may develop, in coordination with the Closing Staff/Attorney the Offer to Purchase. The Offer Award Calculation Team may coordinate with the Staff in order to request more information from the applicant, if needed, or to communicate with the applicant that the offer is on its way.

DOB

The Stafford Act prohibits any person, business concern, jurisdiction, or other entity from receiving financial assistance with respect to a loss resulting from a major disaster that duplicates financial assistance under any other program or from insurance or any other source. In accordance with the Stafford Act, HUD's CDBG-DR program funds may not be used for any costs for which other disaster recovery assistance was previously provided for the same purpose.

Duplication of benefit applies to all programs or projects funded with CDBG-DR funds. In conjunction with its actions to prevent fraud, waste, and abuse, the state and its subrecipients will require all applicants to self-certify all information provided in the application. This certification will provide the state and/or subrecipients with recourse in the event that additional information must be gathered from a beneficiary, a beneficiary has provided incorrect or false information, and/or funds need to be recaptured. In addition, the state and its subrecipients will employ data systems, data sharing, and data-matching techniques to identify duplication of benefits. The state will enter into data-sharing agreements with relevant federal and state agencies and other entities to obtain data sources that will be used to verify other potential sources of benefits.

Requirements and Criteria

Subrecipients will first determine each applicant's total post-disaster need in the absence of any duplicative benefits or program caps. Following the identification of total need, duplicative assistance will be subtracted out, program caps will be applied, and underwriting standards and cost reasonableness principles will be applied to arrive at a final award. All source documentation—including applicant certifications, applicant-provided benefit statements, agency communication, and calculation example worksheets—will be maintained in each applicant file to support the program or subrecipient's determination relative to duplication of benefits. Subrecipients will submit their analyses to the Florida Department of Economic Opportunity (DEO) for final review and approval.

Assessment of Need Prior to Assistance

For rehabilitation and reconstruction programs (i.e., programs related to housing, commercial, public facilities, and infrastructure), the applicant's total post-disaster need shall be determined by a work write-up and cost estimate completed by the program, the subrecipient, or a third-party contractor designated by the subrecipient. When providing funds for repair, replacement, rehabilitation, or new construction of housing, public facilities, infrastructure, or improvements, the state or subrecipient will address whether other sources of funds are available for that same purpose and for that specific project.

The subrecipient will then submit supporting documentation for the state to review. Funds used directly by the state or its subrecipients or other government entities for public facilities or other purposes are also subject to duplication of benefits prohibitions under the Stafford Act. 2.1.2 Total Assistance Available to the Person or Entity Total assistance includes all benefits available to the person or entity, including the following:

- Other HUD programs
- FEMA assistance
- NFIP payments
- SBA loans
- Private insurance proceeds
- Private donations or gifts of cash and/or other resources (at market value)
- State, local, and/or other grants.

Duplication of Benefits Calculation

All of these sources of benefits must be documented within the subrecipient policy and procedures and must show documentations for each.

Federal Emergency Management Agency

FEMA Individual Assistance

Definition: FEMA Individual Assistance (IA) funds may be provided for home repairs or contents. In cases where applicants have received assistance for home repairs, that amount will be considered a duplication of benefits by the CDBG-DR. A FEMA IA award for contents will be excluded.

Verification: FEMA IA will be determined and verified by the state and the subrecipient through FEMA's National Emergency Management Information System (NEMIS) database. If the state or the subrecipient is unable to verify the FEMA IA amount through the NEMIS database, the state or the subrecipient will use the payment amount provided by the applicant at the time of application. If an applicant can provide documentation demonstrating that the FEMA IA amount provided by the NEMIS database includes amounts not paid to cover structural loss, the state or the subrecipient will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

FEMA National Flood Insurance Program Insurance

Definition: Payments for loss to dwellings under NFIP insurance policies are deducted from the grant the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's funding assistance award.

Verification: The state or the subrecipient will collect flood insurance information from the applicant through the application process. In addition, the state or the subrecipient will work directly with NFIP to verify the information provided by the applicant.

Exception: Insurance proceeds taken by a mortgage company as a forced-mortgage payoff will not be counted as duplication of benefit as long as the applicant provides proper documentation. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the state or the subrecipient must attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a duplication of benefit that will be counted in an applicant's award calculation.

Increased Cost of Compliance under NFIP

Definition: Increased Cost of Compliance (ICC) coverage is one of several resources for flood insurance policy holders who need additional help rebuilding after a flood. It provides up to \$30,000 to help cover the cost of mitigation measures that reduce flood risk. ICC coverage is a part of most standard flood insurance policies available under NFIP.

Verification: The state or the subrecipient will determine duplication of benefits regarding ICC funds provided by NFIP. The state or the subrecipient will identify and confirm payments to applicants under ICC policies through the NFIP database or via direct inquiry to the NFIP using an applicant's release of information. If the state or the subrecipient is unable to verify the NFIP ICC amount through the NFIP database or through direct contact with NFIP, the state or the subrecipient will use documentation supplied by the applicant. The documentation must be in sufficient detail to be independently verifiable. If an applicant is able to provide documentation demonstrating that the ICC amount provided by the NFIP database includes items not covered in the home evaluation or not paid to cover structural loss, the state or the subrecipient will use the documentation provided by the applicant to adjust the ICC payout used in its calculations. The documentation provided by the applicant must come from the insurance company that issued the payments. The documentation showing use of ICC proceeds for specific expenses must clearly show services, materials, products, or any other tangible deliverable that is outside the scope of structural loss and the basis for the home evaluation. This documentation must be maintained in the applicant file.

Small Business Administration

Definition: Federal regulations deem SBA loans for repair to be a duplication of benefit for federally funded repair programs. If an applicant has executed a loan from SBA to cover cost of repairs, the total amount of the approved loan is considered a duplication of benefit. The entire SBA-approved loan amount counts as a duplication of benefit even if an applicant has declined the loan or requested a reduction after SBA approval. Furthermore, the entire SBA-approved amount counts as a duplication of benefit even if an applicant has not drawn down any funds from the approved loan.

Verification: The state or the subrecipient will collect SBA information provided by the applicant through the application process. In addition, the state or the subrecipient will obtain a data feed provided by SBA

to verify all approved amounts for SBA loans. CDBG-DR will collect specific information from SBA that breaks out the approved SBA loan amounts into different categories of assistance (e.g., real property, personal property, vehicles). Any approved amount from SBA for the purpose of real-property repair, including those amounts declined by the applicant, are considered a duplication of benefit, and must be factored into the award calculation unless otherwise allowed and approved under the subrecipient Declined SBA Award Policy.

Private Insurance

Definition: All property and casualty insurance, including flood-insurance settlement amounts for loss to dwellings, are deducted from the applicant's funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant's funding assistance award.

Verification: Insurance proceeds are initially determined by the subrecipient through applicant-provided information. Program applicants will authorize CDBG-DR to contact third-party private insurance providers to verify information provided by applicants in their applications. Third-party re-verification will only occur if the applicant self-attests a claim has been filed and the applicant is unable to provide a claim summary.

Exception: Insurance proceeds taken by a mortgage company as a forced-mortgage payoff will not be counted as a duplication of benefits as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating the mortgage payment was involuntary and the subrecipient will attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a duplication of benefits that will be counted in an applicant's award calculation.

Other Funding

Funding received for the same purpose as the subrecipient grant, such as funding provided by a nonprofit entity to assist applicants with rebuilding their home, must be reported by applicants through the application process and must be accounted for and verified by the subrecipient. In addition, support documentation related to other duplicative funding sources will be provided by the applicant and verified and applied as a DOB by the subrecipient.

Private Loans

Private loans not guaranteed by SBA may be excluded from the final award calculation when such loans must be repaid. Public or private loans with a forgiveness provision will not be excluded.

Private loans are defined as non-federal loans (neither direct or guaranteed) that are made in a commercial lending transaction at fair market rates with a willing borrower and willing lender under standard commercial lending terms in which the borrower must repay the full amount of the loan (plus interest if applicable). These include private loans for construction and bridge financing.

When the state and the subrecipient is making final award determinations, necessary and reasonable cost principles as defined in 2 CFR 200.404 apply. While private loans need not be considered for duplication of benefit purposes, the subrecipient will consider private loans in underwriting and in determining the level of assistance to be awarded.

Other Assets or Lines of Credit

Other assets or lines of credit available to a property owner or a business owner need not be included in the award calculation. This includes checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. When the state or the subrecipient is making final award determinations, necessary and reasonable cost principles as defined in 2 CFR 200.404 apply. While other assets and lines of credit need not be considered for duplication of benefit purposes, the subrecipient will consider assets and lines of credit in underwriting and in determining the level of assistance to be awarded.

Adjustments and Offset to the Amount of Assistance

The applicant must provide evidence of funds spent for repairs and rehabilitation that would otherwise be subject to duplication of benefit if they were not used for another eligible purpose.

No Receipts Provided: If the applicant is unable to provide receipts as required in this policy to demonstrate other, unrelated uses of funds already received, the full amount of housing repair and/or replacement assistance previously received must be deducted from the amount of funding for which the applicant would otherwise be eligible.

Partial Receipts Provided: If partial receipts are provided by the applicant documenting that only a portion of the housing repair and/or replacement assistance previously received was used as intended, the amount received not supported by receipts must be deducted from the amount of funding for which the applicant would otherwise be eligible.

All Receipts Provided: If receipts are provided by the applicant documenting that the full amount of housing repair and/or replacement assistance previously received was used as intended, and as required in this policy to demonstrate other, unrelated uses of funds already received, no deduction is made from the award amount for which the applicant is eligible.

Allowable Alternative Methodology

In instances where no receipts or only partial receipts were provided by the property owner, the subrecipient may consider self-certifications when calculating the amount of assistance that can be provided. In these instances, the following requirements apply:

- The property owner must provide a signed self-certified statement prepared and provided by the state or subrecipient based on information provided by the applicant that documents in detail all labor and/or repairs made to the damaged property following the disaster; and
- A state or subrecipient inspector must determine with verifiable assurances (i.e., permit dates, utility restart dates, etc.) that the repairs were made after the date of the disaster and that the repairs are consistent with damage resulting from that type of disaster; and
- The state or subrecipient inspector will document, through photographs, the repairs that were made and provide a line-item by line-item estimate of the value of the verifiable repairs.

The inspector must assess:

- Whether repairs were made to the home.

- Whether the repairs could be reasonably determined as occurring after the applicable disaster; and
- A reasonable value of the cost of repairs to the home (including labor).

Allowed Activities

Applicants must provide documentation for allowable activities to offset potential duplication of benefit.

Temporary Rental Assistance: Allowable activities are temporary housing such as rent, hotel stays, and applicable utilities that occurred because of temporary displacement from the primary residence due to the disaster. Eligible temporary displacement is from the time of the event until the date of the verification letter. Evacuation costs are not eligible for duplication of benefits offset. Although rental assistance is not considered to be a source of duplication of benefit under this program, temporary housing expenses can offset the potential duplication of benefits amount. The offsetting amount would be the amount of documented expenses that exceed the amount received for rental assistance. Theft,

Vandalism, or Contractor Fraud: If an applicant was a victim of theft, vandalism, or contractor fraud, the amount paid for the materials or for work or to the contractor may be excluded from duplication of benefit if properly documented. The applicant would have had to have filed a formal complaint with a government authority (e.g., a consumer protection agency or police department) setting forth in detail the cause and amount of fraud in sufficient form to be verifiable and affirmed through enforcement follow-up. There are many scenarios where a homeowner may have been affected by dishonest contractors and/or workers and/or unethical acts of strangers that have an impact on the homeowner's ability to complete repairs to his/her storm damaged property. Scenarios include the following:

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

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

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

a homeowner can provide to make a reasonable determination of whether the duplication of benefit amount should be reduced. It is a totality of circumstances that will support this justification. A homeowner's engagement or indication that he or she will be engaging in litigation related to the fraud, workmanship, vandalism, or theft does not preclude the applicant from obtaining a duplication of benefit reduction.

The applicant will sign a subrogation agreement at grant execution that requires the applicant to return any portion of funds that he or she may later receive related to repairs of the home for which the program may provide. Therefore, the existence of a lawsuit is not grounds for denying this DOB reduction analysis. The first step in this process is for the subrecipient to collect some basic information from the homeowner. This information will be filled into the Contractor Fraud/Theft/Vandalism Example worksheet.

- 1) Name of the contractor(s) or workers to whom funds were paid
- 2) Amount paid to each contractor or worker alleged to have stolen funds, failed to complete work that had been paid for, or completed shoddy work that must be re-done
- 3) If theft or vandalism, the date on which the theft or vandalism of materials/work occurred
- 4) The name of any police department, regulatory agency, or court with which a formal complaint was filed
- 5) The date the formal complaint was filed and the item or case number of the report
- 6) Brief description of the alleged incidents to demonstrate contractor or builder fraud and/or theft or vandalism for consideration of a duplication of benefit reduction, the applicant must provide the following:

Contractor Fraud:

- a) Either a contract with a contractor to perform repairs to the damaged property or evidence of payment(s) made to contractor or builder demonstrating the attempt to repair damaged property as well as proof that the rebuilding and/or repairs were not completed
 - i) Proof of payment can be in the form of canceled checks, paid invoices, or paid receipts. Bank statements that contain copies of canceled checks may also be used.
- b) Evidence that a formal complaint was filed against the contractor or builder accused of fraudulent practices with the proper law enforcement officials or a state regulatory agency or court (civil complaints)
 - i) Complaint must have been filed within 1 year of the discovery of the fraudulent activity of the contractor/builder. The applicant must provide the case or item number or report number and the name of the law enforcement or regulatory agency with which it was filed. If a civil action was filed, the applicant must provide the name of the court where the action was filed and the docket number of the case.

Theft or Vandalism:

- c) Proof (i.e., paid receipts, photos, filed complaint) that property of the applicant's damaged home was stolen or vandalized
 - i) Proof of payment such as a canceled check is also required.
- d) Evidence that a formal complaint of theft or vandalism was filed with the proper law enforcement officials or a state regulatory agency or court (civil complaints).
 - i) The applicant will also be expected to provide the case or item number or report number and the name of the law enforcement or regulatory agency with which it was filed.

Mortgage Force Payment: If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount paid to satisfy a force payment is not a duplication of benefit. The applicant would have to provide the document proving that the mortgage company did not release the insurance proceeds. The subrecipient will document attempts to verify the documentation directly with the mortgage company and the results of these attempts.

Legal Fees: Legal fees that were paid in successfully obtaining insurance proceeds will be credited to the applicant and will not be deducted as part of the applicant's duplication of benefits. Applicants will need to provide evidence of payment and self-certify in accordance with state or its subrecipient policy in order to be credited.

Tax Filing: Tax filings related to losses to the home do not affect funding assistance awards and are not considered duplication of benefits. Applicants should consult their personal tax advisor about any tax-related matter.

Verification of Benefits

Policy

The state requires verification of benefits (VOB) for all subrecipient submittals for CDBG-DR programs. VOB is a procedure that results in a verification of duplication of benefit requirements of the program and is used to combat the potential for waste, fraud, and abuse of CDBG-DR funds.

Procedures

1. The subrecipient will complete and certify the duplication of benefit for each address or project.
2. The duplication of benefit will be uploaded with the Subrecipient Enterprise Resource Application (SERA) system and submitted to DEO.
3. The DEO grant manager will receive the duplication of benefit in SERA.
4. The DEO grant manager will forward the duplication of benefit to the VOB process.
5. The VOB will be completed and:
 - a. Revised and confirmed that all documentation and calculations have been completed; or
 - b. The duplication of benefit will be rejected for additional information.
6. The VOB will be returned to the DEO grant manager for final review. The processes will be determined and updated once development within the SERA system is created.

Award Determination

General: Calculation of the Buyout Offer and Incentives

After the appraisal and title clearance issues have been completed, the Staff will send the applicant the Incentive Request and Receipt Form to qualifying applicants ONLY in order to calculate the incentive amount(s) and eligibility for those incentives. NOTE: applicants may apply for incentives prior to closing on their property sale or within nine (9) months of closing on their property. This information should be

clearly communicated to applicants, so they do not feel pressure to provide this information prior to closing on the property. For eligibility, the form must detail:

- The applicant's full name
- The applicant's date of birth
- The address of their damaged property purchased by the Buyout Program
- The address of their new residence
- Lease or New Deed information (copies provided separately)
- Passes the new home requirements Inspection (see below)

If the applicant does not wish to receive Incentives, then the Staff notes this and continues to the next step.

Once received, the case manager notifies the Buyout Offer Calculation staff to begin the calculation of the buyout offer, and once complete this is sent to the QA/QC Staff for review and approval. If the applicant requested and is eligible for incentives, these are included in the offer calculation. The following costs are not factored into the offer calculation:

- Appraisals costs
- Legal costs
- Survey costs
- Title preparation and insurance costs
- Demolition costs
- Site work costs
- Lead based paint and asbestos mitigation/ remediation costs
- Disposition costs
- Closing costs

Case Managers are kept apprised of updates during, and after, the calculation of the offer in case:

- The Offer Calculation Staff requires additional documentation from the applicant
- The Offer Calculation Team wishes to schedule, via the assigned case manager, a meeting with the applicant

Once approved by QA/QC, the case manager will communicate to the applicant within five (5) days that a written offer to purchase has been sent. The case manager does not discuss any details of the award until the applicant has received the letter. Once the case manager has confirmed the applicant has received the letter, the case manager explains the purchase amount and how it was calculated, including the DOB, appraisal, and the steps that are taken to make the final award determination. The Staff then stays in contact with the applicant in order to determine if they will reject, accept, or appeal the offer, and guide them through each of these processes. See applicant Decision section below for more details on these options.

NFIP and NCOMP Status

- 1) Check the applicant's NFIP compliance per data provided to the subrecipient:

- 2) Conducting a global search for the applicant's name or ID
- 3) Opening the applicant's Buyout application record
- 4) Identifying the applicant's FEMA NCOMP status
 - a) If the FEMA NCOMP box is marked N, the applicant is eligible for both pre-storm fair market value of the property, and both the affordability incentive and risk reduction incentive, so long as other eligibility criteria are met.
 - b) If the FEMA NCOMP box is marked Y, then the applicant is eligible for post-storm fair market value of the property without incentives

Data Sources Used for Buyout Award Calculation

If the applicant is eligible to receive post-storm FMV, then the Awards Staff identifies the following fields and information:

- The post-storm fair market value of the structure and land (from the appraisal), and
- The current (post-storm) fair market value of the structure and land (from the appraisal)
- The Total Verified Repair Assistance from the DOB

The DOB/VOB Staff enters the amounts that are confirmed to be duplicative, with notes describing the amounts and reasons why certain assistance amounts are non-duplicative. The Award Staff must identify the total non-duplicative assistance amount that was described and calculated by the DOB/VOB Staff in the Repair DOB Notes, the total Damage Repair Verification (DRV) from the Inspection Rep., and the corresponding 2020 FHA mortgage limit for Bay County, which represent the award caps for offer. Once the FHA mortgage limit is updated for 2021, the file will be updated.

Award Calculation

Using the information above, the Award Staff enters all the data from the correct files within Excel formulary and reconfirms against the source documentation. The scenarios on page demonstrate how the award calculation works. The fields in each of the tables are manually populated with the following information and the Award Staff takes the appropriate steps to verify and manually populate information.

Award Calculation Methodology

Rebuild Florida has developed multiple disaster recovery housing programs based on the nature and scope of damage to meet the objectives of recovery efforts. This Award Calculation Methodology demonstrates a method of calculating an individual's award in the context of the Voluntary Home Buyout Program by using the post-event FMV, and in combination with other housing programs, such as HMGP and the Housing Replacement Assistance and Housing Replacement Allowance programs. All awards are subject to DOBs.

The following provides four examples of calculating duplication of benefits for the subrecipient to offer in combination with other housing programs:

- Hazard Mitigation Grant Program (HMGP): Subrecipients may use CDBG-DR funds as the required matching funds for residential properties that will be purchased through the local jurisdiction's HMGP program. This is a voluntary real property acquisition program funded by FEMA to acquire flood damaged homes at FMV. HUD has provided a CDBG-DR matching component funded with 75% FEMA

funds (with up to 25% CDBG-DR match funds) or 90% FEMA funds (with up to 10% CDBG- DR match funds).

- CDBG-DR Buyout Program: Subrecipients may fund 100% of the buyout with CDBG-DR funds. This is a voluntary real property acquisition program with awards that are limited to the post-event FVM of the land and structure.
- Housing Replacement Assistance: Subrecipients may offer incentives to low- to moderate-income qualified applicants as part of the buyout program design. This is a program to retain an area's population, awarding up to \$25,000 in addition to the post-event FMV of the buyout home for income-qualified buyout applicants.
- Housing Replacement Allowance: Subrecipients may offer a lower value incentive to qualified participants who do not meet low- to moderate-income requirements. This is a program for those who are not income- qualified for the Housing Replacement Assistance. Participants can be eligible for up to \$10,000 in Housing Replacement Assistance if their damaged home meets certain requirements.

Both housing replacement awards are subject to the Robert T. Stafford Act, requiring that these funds be considered duplication of benefits. This funding may only be used to purchase a new home within the same taxing jurisdiction. Additionally, applicants may only qualify for this additional assistance if they relocate outside of the floodplain to a lower-risk area. Subrecipients must maintain documentation describing how the amount of assistance was determined to be necessary and reasonable.

The State grant program funding is supplemental to other funding sources and must be reduced by amounts reasonably available (even if not sought or received) from other sources to address the same purpose or loss. DEO, subrecipients, and project participants, including property owners and tenants, must take reasonable steps to recover all such amounts. Amounts that are reasonably available to the individual or entity shall be treated as benefits available for the same purpose, even if he/she/it did not seek them.

Subrogation is the process by which duplicative assistance paid to the Property Owner after receiving an award is remitted to the VHB to rectify a duplication of benefit. All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to applicants not included in the original benefit determination calculation and/or received after their closing appointment, must be subrogated to the VHB to prevent a duplication of benefits. Tax adjustments resulting from filings related to losses to a rental property are not considered a DOB and do not affect the award.

For property valuations based on post-disaster FMV, no DOB will be taken from the offer. A program that provides post-disaster FMV to buyout applicants only provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance; therefore, this activity does not fall under the Stafford Act.

For property valuations based on post-disaster FMV, the following procedures assist in preventing grant funds from duplicating benefits available from other sources:

- Property owners who have a U.S. Small Business Administration loan with a mortgage on the property that is to be acquired are required to repay the loan or roll it over to a new loan at closing.

- The subrecipient shall identify any other potential sources of benefits to the property owner, or tenant.
- The subrecipient is responsible to verify information via FEMA Data for structural repairs and replacement, and rental or relocation assistance provided to tenants along with verifying all National Flood Insurance Program (NFIP) coverage information, including the amount paid on a claim and the amount of coverage available.

Incentives

The following requirements must be met to qualify for housing replacement incentive:

- The buyout home must be in the designated area or house a low- to moderate-income family.
- The homeowner must purchase a replacement home that is more expensive than the buyout home.
- The replacement home must be located within the jurisdiction of the subrecipient.
- The replacement home must be considered decent, safe, and sanitary.

If income qualified, the housing replacement assistance would be a maximum of \$25,000. However, the replacement home purchased must be valued at \$25,000 greater than the buyout home to receive the full award. If the value of the replacement home is less than \$25,000 but is more than the post-event fair market value of the buyout home, the applicant's housing replacement assistance will be capped at the difference.

If a rental home is purchased through the Voluntary Home Buyout Program and houses tenants that will be required to relocate, they are considered displaced persons that are eligible for relocation benefits under the Uniform Relocation Act (URA). The subrecipient must develop and implement URA policies and procedures and ensure that all required notices, services, and payments afforded to tenants qualified under URA are provided in a timely manner.

SHORT SALE: It is during this initial discussion that the Staff informs the applicant they may also be eligible to receive assistance from the Program in the negotiation of a short sale with their bank utilizing the buyout offer amount. Let the applicant know that the Case Manager will provide additional information on this process once we get through eligibility but add case notes indicating whether the applicant appears believes they will need this support.

Financial Management

Bay County will maintain and administer a financial management system that complies with all applicable HUD CDBG-DR and State of Florida rules. Bay County will maintain and administer a quality assurance and quality control system, as outlined below, that complies with all applicable HUD CDBG-DR and State of Florida rules. The County must also provide DEO with monthly reports which track and record program expenditures which are reviewed by program staff and submitted to DEO for review.

Allowable Costs

All costs will be reviewed by the Grant Manager. All internal costs will be submitted by the Grant Manager for formal processing by finance (with department head approval). This includes any costs incurred from other county departments, who may have incurred costs as part of regular administration and implementation of CDBG-DR VHB. The Grant Manager will verify that costs are applicable, eligible, and

reasonable for CDBG-DR VHB. Any internal costs being submitted by Grant Manager must include a description indicating the purpose of the costs. Additionally, all contractor invoicing must be reviewed and approved by Grant Manager for applicability, eligibility, and reasonableness before being forwarded for processing.

It is the responsibility of the Grant Manager to maintain effective control and accountability for all funds, property, and other assets. The Grant Manager will safeguard all assets and assure that they are used solely for authorized purposes. Any concerns or clarification regarding any costs will be addressed and resolved by the Grant Manager before being submitted for processing.

Invoice Payments

All invoices/payment requests are received and/or routed to the Grant Manager to be logged in an invoice/payment request log and with the Clerk of the Circuit Court and Comptroller. This log is an excel sheet divided by tabs named after the CDBG-DR VHB funded programs.

- 1) Upon receipt of invoice, the invoice is reviewed for accuracy and verified with receipt of deliverables, if applicable by the Grant Manager.
- 2) Any needed corrections from the vendor will be communicated electronically by the Grant Manager to the vendor.
- 3) If no revisions are needed the invoice is forwarded to the Executive Assistant, with written approval from the Grant Manager of accuracy and receipt of deliverables, if applicable. Grant Manager will also indicate the individual property to which the payment should be charged.
- 4) The Executive Assistant will forward the prepared Purchase Order or Audit slip with the invoice to the Clerk of the Court for payment. A copy of the payment request will be saved to an electronic file.
- 5) Invoices/payment requests are checked for payment each Friday by the Executive Assistant.
- 6) If PAID, The Executive Assistant sends an electronic copy of the sent check to the Grant Manager for the records.
- 7) Check copies are kept on file.

Program Income Reporting & Tracking

The County does not anticipate generating program income. However, should program income be generated, the County will track the receipts within the County's financial records in a separate revenue account and report the receipts to DEO as required per the subrecipient agreement. All program income received prior to grant closeout shall be utilized for additional eligible CDBG-DR activities. Any program income remaining after the CDBG-DR VHB closeout will be returned to DEO.

Cost Reasonableness

Bay County conducts cost reasonableness evaluations as part of its standard procurement process. All procurement for CDBG-DR funded VHB activities will be conducted in conformity with the County's Purchasing Policy. This includes evaluating bids and proposals for cost reasonableness and conducting cost of price analysis.

Timely Expenditure of Funds

Per the Subrecipient Agreement provided by DEO all CDBG-DR funds must be expended within the Period of the Subrecipient Agreement. Therefore, all funds must be fully expended within 24 months of

execution, by both parties, of the Subrecipient Agreement, unless extended. However, we understand that DEO will periodically review the County's progress in drawing down funding through SERA. Bay County will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner.

Project funds and schedules will be monitored by the Bay County's Budget and Finance Department, the Bay County Clerk of the Circuit Court and Comptroller, the County's Planning and Environmental Resources Department, the County's planning, and management consultant(s), and subject to an auditing process through the County's independent audit function. Bay County will hold all contractors accountable through the establishment of task orders. Contractors will be required to provide update reports concerning expenditure of funds and project progress to the County upon request. Frequency of reporting will be established on a per project and per contractor basis given the potential varied nature of activities and the different scope for each contractor. It is expected that the County may require contractors to provide activity reports; however, due to the varying nature of each project, specific project timelines will be defined on a case-by-case basis. The County will directly administer the CDBG-DR VHB and will use contractor augmentation to execute implementation. When contracting with vendors, the County will establish certain tasks that must be achieved prior to the release of funding. As a part of their contractual obligations to the County, contractors may be required to present the County with a plan on how they will implement procedures to achieve the determined tasks, which will be set forth in task orders. Each contract with contractors contains provisions for termination of any contract if the contractor is found to be negligent in any aspect of the contract services. In addition to ensuring that contractors are meeting project timelines, these tasks and task orders will allow the County to project expenditures for each individual project task.

Contractor Payments

In order to ensure contracts and bills are paid in a timely manner, payments pursuant to a contract will be made in accordance with the Local Govt. Prompt Payment Act, F.S. 218.70- 218.80. Invoice(s) shall be for services rendered for the period of the first day of the month through the last day of the month. Contractor shall submit separate invoices, on each task order after each delivery. Invoices shall indicate the task order number and shall be itemized. A copy of the bill of lading, and the freight weigh bill when applicable, should be attached to the invoice. Suppliers should keep the Grant Manager advised of any changes in their remittance addresses. Bay County has the option to withhold five percent (5%) retainage per first three (3) payment requests until all work is completed in accordance with executed contracts and work approved by the County. Any retainage will be paid at the project's conclusion and proper approvals. Retainage will be released when awarded contract has been fulfilled in its fullest and approved by the County.

Tracking Payments

Consistent with county financial policies, the County will maintain a payment tracker for each project being conducted under the CDBG-DR VHB. This payment tracker will include indicators to show, at minimum, invoice submission status and date, approved change orders, total payments per project by dollar amount, and total eligible funds per project. This will be updated as soon as any changes to the status of payments, change orders, or invoice submissions occur.

Slow Performing Projects

Projects which appear to be slow-performing will be evaluated and addressed consistent with the County's CDBG-DR VHB Policies and Procedures. Projects which appear to be stalled will be:

- 1) provided technical assistance to remediate their slow progress state
- 2) terminated if the project appears to be stalled at startup and the policies and procedures and project contract allows for re-award to other eligible recipients **OR**,
- 3) the project scope will be reduced, and funding reduced as necessary and recaptured funds will be re-obligated to other eligible projects and recipients.

URA Requirements

Under the Uniform Relocation Act (URA) displaced persons are eligible to the following benefits:

- Advisory services
- Offer of a comparable replacement unit
- Replacement housing payments
- Moving expenses.

Under the URA, the term "displaced person" means:

1) A person who moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice to the person, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after:

a. The date the Grantee submits a project application for CDBG-DR funds for the project that is later approved, if the Grantee has site control; or,

b. If the date the Grantee obtains site control, occurs after the project application is submitted and approved.

2) A person who moves permanently from the real property after the initiation of negotiations, unless the person is a tenant who was issued a written notice of the expected displacement prior to occupying the property (otherwise known as a "Notice of Eligibility for Relocation Assistance").

3) A person who moves permanently and was not issued a Notice of Non-displacement after the application for CDBG-DR funds is approved. If any buyout properties with renters or tenants are deemed eligible for relocation assistance, Bay County will provide assistance to the renter(s) occupying the property.

As a displaced tenant under URA, a tenant is eligible to receive two types of assistance: Moving Assistance and Replacement Housing Assistance. The Moving Assistance can be an actual reasonable moving and related expenses reimbursement or a fixed payment for moving expenses determined by a schedule published by the Federal Highway Administration. The Replacement Housing Assistance can take two forms, Rental Assistance or Down Payment Assistance. If the displaced tenant chooses to continue to rent a dwelling, the award amount they are eligible for is 42 months times the difference in rent/utilities of their current rent and their replacement dwelling (including lot rent, if a mobile home unit). Rental Assistance is capped at \$7,200.00 for 90-day occupants, except in situations where housing of last resort applies. Another option is for the displaced tenant to purchase a new home and receive a lump sum Down

Payment Assistance. If the displaced tenant elects to receive lump sum Down Payment Assistance, their award cannot exceed what they would have been eligible for had they continued to rent a unit.

URA Purpose

Bay County is undertaking a program funded through the U.S. Department of Housing and Urban Development (HUD) which may result in the relocation of persons from their current residences. The VHB may result in tenants renting a portion of an owner-occupied unit being displaced as properties are acquired by the County for demolition, clearance, and conversion to open space. The properties are being voluntarily sold to the County by the property owners, however, some properties contain residential rental units making the tenants eligible for assistance under the Uniform Relocation Act of 1970.

Bay County understands that it must provide the options for assistance to those who may be involuntarily displaced from their current residence due to programs or projects funded by HUD. The process for relocation assistance for persons displaced by the VHB will include the following:

- Identification of Tenants to be Displaced
- Notification to Tenants of Impending Displacement
- Notification of Availability of Assistance
- Application Review
- Work with Tenants to be Displaced
- Temporary Relocation
- Permanent Relocation
- Record Keeping

Duplication of Payment

No person will receive any payment for Relocation benefits under these regulations if that person receives a payment under Federal, state, or local law which is determined to have the same purpose and effect as such payment under these regulations. The County is not required to conduct an exhaustive search for such other payments, only to avoid creating a duplication based on the County's knowledge at the time the payment is computed.

Identification of Persons to be Displaced

Bay County will keep records of all residential structures which contained rental units containing tenants who may require relocation assistance under the CDBG-DR VHB. Name and contact information for current tenants will be collected during the application phase. Contractor or program staff will then work with property owners to identify those properties containing tenants who will be displaced. Records documenting the properties and persons requiring assistance must include the following:

- Property address
- Unit identification if applicable
- Number of rooms in unit
- Name of property owner (applicant)
- Number of male and female adults in family; number of children by age and sex

- Property type (single detached, multi-family, etc.)
- Monthly rent
- Names of all persons residing in the unit at the time of displacement
- Names of all persons seeking relocation assistance
- Certification of legal residency for all persons seeking assistance

Notification to Tenants

Property owners participating in the VHB must submit an Occupancy Form during the application phase identifying tenants (if any). As soon as feasible, program staff will ensure that tenants are informed of the potential acquisition of the property by receiving a General Information Notice (GIN) and URA HUD handbook once identified, utilizing certified mail or hand delivery, and obtaining a signed receipt for the GIN and Handbook. Once Initiation of Negotiations (ION) has occurred between the County and the property owner (signing of pre-offer letter documents) tenants can then be provided with a Notice of Eligibility. The Notice of Eligibility should not be utilized unless the ION for the parcel has occurred between the County and the property owner. At the time of the offer letter signing with the property owner, every effort should be made to commence relocation with the tenant as soon as practical to prevent possible subsequent occupancy and/or minimize rental problems for the owner.

Notification of Availability of Assistance

Program staff will notify all tenants who may be displaced by providing them with materials informing them of the benefits and services available to them. Tenants residing in the structure at the time that negotiations are initiated between the homeowner and the County will be notified of the relocation program and are fully eligible for assistance (see § 24.2(a)(15)(i) and (ii) and § 24.2(a)(15)(iv)). Program staff will be in contact with all the tenants affected by the VHB to discuss their needs. The documents provided to the tenants will, at the least, provide a general description of the relocation program including the following:

- 1) Informs the person that he or she may be displaced for the project and generally describes the relocation payment(s) for which the person may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s).
- 2) Indicates that any person displaced will be given reasonable relocation advisory services including housing referrals, help in filing payment claim(s), and other necessary assistance to help the person successfully relocate.
- 3) Informs any person to be displaced from a dwelling that he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available to the displaced person. No person will be required to move without at least 90 days advance written notice.
- 4) Describes the person's right to appeal the County's determination as to eligibility for or the amount of any relocation payment for which the person is eligible. It also describes the person's right to disagree with the County's determination to whether the person qualifies as a "displaced person."

Tenants will also be provided with an application for assistance for relocation costs. This application will act as the official request for relocation assistance. Tenants who choose not to complete the application will not be eligible for relocation assistance.

Application Review

Applications will be reviewed by program staff and information provided by the tenants for their case files will be evaluated to determine the tenant households' housing needs. Program staff providing relocation services will personally interview each household to be displaced and will then determine the household's relocation needs and preference and explain the relocation payments and other assistance for which the household may be eligible, the related eligibility requirements, and the procedure for obtaining such assistance. Replacement housing payments determinations for tenants present at the time of the storm event and/or tenants to be displaced by the VHB occur once tenants submit a completed application. Program staff conducting the interviews and processing applications will need to gather data to help provide information on the estimated number of households to be displaced, including the family characteristics (e.g., minority, ethnic, handicapped, elderly, large family, income level).

Information should be gathered to allow for the comparison of available decent, safe, and sanitary housing in the area with the housing needs of the tenants being displaced. The comparison should include:

- (1) price ranges,
- (2) sizes (number of bedrooms), and
- (3) type of housing single-family, multi-family, mobile home etc.

Any information on special relocation considerations should also be gathered and evaluated, such as the presence of elderly or disabled or children attending school. Program staff will make every effort not to relocate households in areas resulting in children being forced to change schools unless otherwise requested by the displaced household. If the information reveals that the existing housing inventory in a specific area being impacted by displacement is insufficient, does not meet relocation standards, or is not within the financial capability of the tenants, then measures such as Housing of Last Resort must be taken to address this issue.

Work with Tenants to be Displaced

Program staff will work with tenants to identify comparable replacement dwellings within a 50-mile area of their current dwelling. A comparable replacement dwelling includes the following:

- 1) Decent, safe, and sanitary (DSS) which means a dwelling which meets applicable housing and occupancy codes. However, if any of the following standards are not met by an application code, such following standards shall apply, unless waived for good cause consistent with federal regulations. The dwelling shall:
 - a) Be structurally sound, weather-tight, and in good repair.
 - b) Contain a safe electrical wiring system adequate for lighting and other electrical devices.

- c) Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system
- d) Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced household. There shall be a separate, well-lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.
- e) Contains unobstructed egress to safe, open space at ground level. If the replacement dwelling unit is on the second story or above, with access directly from or through a common corridor, the common corridor must have at least two means of egress.
- f) Displaced tenants who are handicapped must have access to a unit which is free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person.

2) Functionally equivalent to the displacement dwelling. The term “functionally equivalent” means that it performs the same function and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used. However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, reasonable trade-offs for specific features may be considered when the replacement unit is “equal to or better than” the displacement dwelling (see Relocation Manager for guidance).

- a) Adequate in size to accommodate the occupants.
- b) In a location generally not less desirable than the location of the displaced person’s dwelling with respect to public utilities and commercial and public facilities and is reasonably accessible to the person’s place of employment.
- c) On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, and greenhouses.
- d) Currently available to the displaced person on the private market. However, a comparable replacement dwelling for a person receiving government housing assistance before displacement may reflect similar government housing assistance.
- e) Within the financial means of the displaced person.

3) A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving rental assistance under this rule, the person’s monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person’s base monthly rental for the displacement dwelling.

4) For a displaced household who is not eligible to receive a replacement housing payment because of the person’s failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person’s financial means if the Uniform Relocation pays that portion of the

monthly housing costs of a replacement dwelling which exceeds thirty percent (30%) of such person's gross monthly household income or, if receiving a welfare assistance payment from a program that designates amounts for shelter and utilities, the total of the amounts designated for shelter and utilities. Such rental assistance must be paid under Section XVIII, Housing of Last Resort.

5) All displaced persons, especially the elderly and handicapped, shall be offered transportation to inspect housing to which they are referred by program staff. In addition, program staff will assist with the following items:

- a) Provide current and continuing information on the availability, purchase prices, and rental costs of comparable and suitable commercial and farm properties and locations. They will assist any person displaced from a business or farm operation to obtain and become established in a suitable replacement relocation.
- b) Minimize hardships to persons in adjusting to relocation by providing counseling, advice as to other sources of assistance that may be available, and such other help as may be appropriate.
- c) Supply persons to be displaced with appropriate information concerning Federal and State housing programs, disaster loan and other programs administered by the Small Business Administration, and other Federal and State programs offering assistance to persons to be displaced.
- d) Provide referrals to appropriate agencies for displaced persons requiring social services, food stamps etc.
- e) Provide each expected displaced person with a Relocation Assistance Brochure.

6.) Moving costs associated with moving personal property from the existing dwelling unit to the new dwelling unit are eligible for relocation compensation.

7.) If a displaced tenant otherwise qualifies for the replacement housing payments except that they have not yet purchased or occupied a suitable replacement dwelling, the Contractor will inspect the proposed dwelling. If the proposed dwelling is found to meet the standards set forth for decent, safe, and sanitary dwellings, the displaced tenant can submit a request for payment of the specific sum provided they purchase or occupy the inspected dwelling within the time limits specified.

Temporary Relocation

In cases where suitable long-term housing can't be immediately identified and secured, temporary housing arrangements may need to be secured. The housing arrangements and facility must meet all the housing criteria required under Uniform Relocation except that it is functioning as a temporary housing solution until a more permanent solution can be identified. This may include, but not be limited to, the utilization of hotels for temporary housing. In such cases the facility must be agreeable to the household residing on-site for an extended period.

Permanent Relocation

Any comparable dwelling which allows for the displaced tenant and their household to reside in the facility for one year or more is considered to be a permanent relocation site. Displaced tenants and their households are eligible for two types of assistance under URA: Moving Assistance and Replacement

Housing Assistance (Rental Assistance or Down payment Assistance). Moving Assistance will be calculated using the fixed moving expenses method and are eligible for a moving claim reimbursement.

Once a tenant has relocated to the replacement dwelling, contractor or program staff will assist the tenant in submitting form HUD 40054 to the County for the reimbursement. The County may advance a portion of the relocation claim to cover necessary expenses such as application fees, security deposits or first month's rent. In standard protocol, one payment will typically be processed for Moving Assistance. However, there may be specific cases when a displaced tenant requires two payments for Moving Assistance: 1) advance payment for necessary up-front costs and 2) the remaining amount of their moving costs.

In determining Rental Assistance per URA HUD regulations, if the total gross monthly household income qualifies as low income according to the URA Low Income Limits, the County must compute 30% of the monthly household income and use it as one of the factors for comparison in the base monthly rental determination. The base monthly rental represents the amount the County will use as the rental amount for the displacement unit. The County will look at the lesser of three items:

- The total amount for current monthly rent plus average monthly utilities
- If the displaced person meets the low-income criteria, the agency will compute 30% of the person's average monthly gross household income
- If the displaced person's rent is paid through a state welfare program that designates an amount for shelter and utilities, then that amount is considered, e.g.: shelter, utilities designation, etc.

If the tenant is low income, the lesser of the three will be used to compare against present rent (and utilities) of market rent. If the tenant is not low income, the URA eligibility amount is the difference between the present rent (plus average utilities) and the replacement dwelling rent (plus average utilities) across 42 months. Per HUD regulations, Rental Assistance is to be dispersed to the displaced tenants in three installments, rather than one lump sum. However, if a tenant will be using URA Rental Assistance to purchase a home, the Down payment Assistance is allowed to be dispersed in one lump sum to reduce or eliminate hardship. Rental Assistance for traditional displaced tenants (assistance with a new rental property) is to be dispersed in three installments. A payment will be dispersed from the County to the displaced tenant every 14 months; 3 installments over 42 months. The first installment can be processed once the tenant has signed a year lease with the replacement dwelling landlord/property management company, moving has commenced and HUD Form 40058 is submitted. To prompt the payments per tenant, contractor or program staff will submit a payment plan (Payment Authorization Form) to the County to help schedule the payments to the displaced tenants. The Contractor will also receive and submit the displaced tenant's W9 to the County. Once the household has signed a legally binding rental agreement such as a lease or obtained ownership of the property such as through a mortgage on the property the household is considered successfully relocated and further relocation services, outside of follow-up support services, will no longer be available to the tenant.

Record Keeping

Contractor or program staff will be responsible for maintaining all files and documentation for tenants who were displaced by the CDBG-DR Voluntary Home Buyout Program. This includes, at a minimum,

identification of tenants who were not assisted with relocation services. Tenants who were successfully assisted or began the assistance services but terminated activities on their own accord must have files which include the information identified in Section I of this document as well as their completed application. All data identifying comparable dwelling units must also be maintained in addition to any payment requests, evidence of payments made on behalf of the tenants, identification documentation and HUD forms. All files must be secured so as to protect the privacy of those persons and their households.

Appeal Process URA

Any person(s) has a right to submit an appeal to the County if they disagree with the Moving Assistance eligibility amount, the Rental Assistance eligibility amount, or the determination from the County of whether a person(s) is qualified as displaced. If a person(s) wishes to appeal their Rental Assistance eligibility amount they can notify the County of their wish to appeal the amount of the assistance. In such case, the County will re-review the assistance calculations for any potential errors and respond within 15 days of receipt. If no errors are found, they will re-present the amount of rental assistance to the tenant. If a tenant continues to not agree, the County will allow the tenant to submit up to three comparable dwellings they find more compatible with their needs, under URA regulations, and submit to the County for determination to recalculate eligibility determination. If the person(s) is considered low income, and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office.

If a tenant finds their Moving Assistance insufficient, a tenant can ask for and receive local bids from moving companies to submit to the County, seeking additional assistance. The County decision will be determined within 15 days of receipt. If the person(s) is considered low income, and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office. If a person(s) disagrees with the County's determination of whether they have been properly qualified as a "displaced" person(s) or household, the person(s) can submit an official claim to the County seeking an appeal of the determination, submitting any supporting documentation they see fit. The County decision will be determined within 15 days of receipt. If the person(s) is considered low income, and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office.

Award Determination

Amount of Assistance

Bay County has been allocated funding from the U.S. Department of Housing and Urban Development (HUD) via the Florida Department of Economic Opportunity (DEO) for disaster recovery projects related to the 2018 federally declared disaster event. Bay County will use the approximately \$4.4 million in Community Development Block Grant Disaster Recovery (CDBG-DR) funds for the acquisition of approximately 17 properties. Based on the availability of funds, there may be multiple rounds for the Disaster Recovery Buyout Program to assist additional properties as preliminary funds are exhausted. Each

application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose in order to estimate any duplication of benefits.

Any funds found to be duplicative will be deducted from the appraised value of the property. Each applicant must provide documentation that their property was impacted by the event. The maximum assistance amount of CDBG-DR buyout funds will be capped at \$750,000, based upon the 2021 FHA loan limit of \$608,350 and additional delivery costs described below. Eligible costs included in the buyout maximum assistance amount are:

- buyout purchase price
- clearance and demolition (performed by the County),
- settlement costs,
- a replacement housing incentive payment
- moving expenses incentive to be determined

Bay County will provide eligible participants with the current fair market value plus DEO approved replacement housing incentives, less any applicable duplication of benefits.

Buyout Applicants with Negative Equity on Mortgage

The VHB may assist people who owe more on their mortgage than their house is worth, also known as negative equity mortgage or being underwater on their mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to move from the damaged home to an area of reduced flood risk. Bay County reserves the right to review each applicant with negative equity on their mortgage on a case-by-case basis.

Buyout Applicants with Reverse Mortgage

The VHB may assist people who have a reverse mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the reverse mortgage and move from the damaged home to an area of reduced flood risk. Bay County reserves the right to review each applicant on a case-by-case basis.

Buyout Applicants in Foreclosure

Applicants in foreclosure may be provided buyout assistance, however the assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the mortgage and move from the damaged home to an area of reduced flood risk. Bay County reserves the right to review each applicant on a case-by-case basis.

Contract for Deed/Land Leases/Mobile Homes

Properties where there is a different owner of the land than the owner of the dwelling unit(s), such as in Contracts for Deed, long-term land leases, and often with mobile homes, may be assisted through the

VHB only if the property owner converts the contract to full ownership. Bay County reserves the right to review each application on a case-by-case basis.

Certification Requirements Prior to Receiving Assistance

All applicants must agree to the following to receive assistance:

- Sign an Authorization for the Release of Information so that information provided can be shared and/or verified with state, federal and other third-party agencies. (The applicant, co-applicant, and other adult household members are required to sign the release unless one of the eligible applicants has provided power of attorney to another to represent him/her.)
- Sign a Certification of Completeness attesting to the accuracy and completeness of all information provided to the VHB under penalty of law.
- Agree to verification of their ownership status, the amount of disaster-related damage to the home, and assistance received.
- Power of attorney: Applicant(s) may grant power of attorney to someone who can apply on their behalf, as applicable.

All signed documents will include the following statement: 'Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.'

Appraisal

As required under DEO Program Guidelines: The appraisal methodology shall be used in the VHB, and appraisals must be conducted by a properly procured and Florida Licensed Appraiser in accordance with the Uniform Standards of Professional Appraisal Practice. The appraiser must comply with relevant State laws and requirements and shall have the appropriate certification, qualifications, and competencies based on the type of property being appraised. All properties will be appraised by a certified appraiser and in conformity with 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals.

1) If appraisal exceeds the established maximum purchase limit as set by the County, the applicant may receive up to the County's established limit. Such cases will be evaluated on a case-by-case basis and final determination made by the County.

2) If appraisal is below the County's established maximum purchase limit, applicants will be offered the current fair market value.

Duplication of Benefits

NOTE: DOB will be taken into consideration and accounted for in the County's VHB. DOB funds will be calculated and deducted as necessary in final award calculations.

Due to recent guidance from DEO to switch appraisal methods from pre-storm FMV to current FMV, the County is revising the DOB method for deductions under the final award calculations. Under current FMV guidance, DOB is not to be deducted from the appraisal amount. This is also explained in DEO program guidelines, "For property valuations based on post-disaster FMV, no DOB will be taken from the offer. A program that provides post-disaster FMV to buyout applicants only provides the actual value of the

property: thus, the seller is not considered a beneficiary of CDBG-DR assistance; therefore, this activity does not fall under the Stafford Act.”

DOB may be applicable and have to be accounted for in the award amount for program housing incentives. Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source. A duplication of benefits (DOB) occurs when:

- a beneficiary receives assistance, and
- the assistance is from multiple sources, and
- the assistance amount exceeds the need for a particular recovery purpose

To ensure that Bay County does not provide a duplication of benefits, the County will adhere to the following general process:

- determination of the applicant’s total need
- identify all potentially duplicative assistance
- determine whether assistance was duplicative
- deduct duplicative assistance from the applicant’s total need

Sources of Duplication of Benefits

The following are sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits (DOB). Under federal law DOB must be deducted from the assistance amount (the amount that will be offered for the purchase of the home):

- FEMA Individual Assistance (IA),
- FEMA National Flood Insurance Program (NFIP),
- Private Insurance,
- Small Business Administration (SBA) and other sources.

Assistance received in the form of services instead of money, for home repairs from any source is not considered a duplication of benefits. Any additional duplication of benefits received by the applicant after the offer for purchase has been extended, the funding for the purchase of the home has been awarded or the purchase transaction has occurred, must be applied to reduce the award amount. Funds received from any source including flood insurance, FEMA and hazard insurance that were used to cover repair to the applicant’s home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance.

Documentation must be provided demonstrating the cost and type of repair conducted.

FEMA INDIVIDUAL ASSISTANCE (FEMA IA)

FEMA IA will be determined and verified by Bay County through the FEMA database. If Bay County is unable to verify the FEMA IA amount through the FEMA database, Bay County will require the submission

of any FEMA IA documentation to be provided by the applicant. Award documentation of assistance provided, which was not intended to cover repair or replacement of the structure, will not be considered duplicative. Award documentation of assistance provided for repair or replacement of the structure will be considered duplicative unless otherwise determined to be non-duplicative (see section 4(f) below).

FEMA NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

Bay County will check all applicants for NFIP to verify whether they maintained flood insurance. The payment to applicants under NFIP policies will be documented and verified by Bay County through the provision of NFIP documentation from the applicant and cross referenced with DEO data upon submittal by the County to DEO for review. Any award documentation of assistance provided, which was not intended to cover repair or replacement of the structure, will not be considered duplicative. Award documentation of assistance provided for repair or replacement of the structure will be considered duplicative unless otherwise determined to be non-duplicative (see section 4(f) below).

PRIVATE INSURANCE

Insurance proceeds are documented and verified by Bay County through the applicant's insurance settlement. Any insurance settlements provided to the applicant, which were not intended to cover repair or replacement of the structure, will not be considered duplicative. Private insurance payments for items such as mold remediation, contents, or other expenses such as fences, storage sheds, etc., are not deducted from the applicant's award. Award documentation of assistance provided for repair or replacement of the structure will be considered duplicative unless otherwise determined to be non-duplicative (see section 4(f) below).

THE SMALL BUSINESS ADMINISTRATION (SBA)

Bay County will require the submission of any SBA loan proceeds documentation to be provided by the applicant. Any dispersed funds for assistance, which was not intended to cover repair or replacement of the structure, will not be considered duplicative. Award documentation of assistance provided for repair or replacement of the structure will be considered duplicative unless otherwise determined to be non-duplicative (see section 4(f) below).

Payments for temporary housing assistance, contents or other expenses are not deducted from the applicant's award. Additionally, per the Federal Register notice from dated June 20, 2019 (84 FR 28836) any applicants who were offered loan proceeds but meet the criteria described in V.B.2 "Exceptions When Subsidized Loans Are Not a Duplication" will not have their loans considered as duplicative.

Contractor Fraud

If an applicant was a victim of contractor fraud, the amount paid to the contractor may not be counted as a duplication of benefit. The applicant would have had to file a police report or a report of fraud to local authorities before the date of the application submitted. If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits. The applicant would have to provide the document proving that that the mortgage company did not release the insurance proceeds.

Other Sources of Duplication of Benefits

Following a disaster, charitable organizations provide many kinds of contributions, including donations, grants, or loans among other types of assistance. Grants and cash donations designated for specific eligible work, even when provided from nonfederal sources, but designated for the same purpose as Federal disaster funds generally are considered a duplication of benefit. Grants and cash donations received for unspecified purposes (e.g., "for disaster recovery/relief efforts"), or for work not eligible for federal assistance, do not constitute a duplication of benefits.

Recapture Duplication of Benefits

If a duplication of benefits is identified, Bay County will recapture CDBG-DR funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

Increased Cost of Compliance (ICC)

The VHB will determine duplication of benefits regarding Increased Cost of Compliance funds for elevation and/or demolition activities. If severe property damage occurs as a result of Hurricane Irma, before repair or rebuild activities can occur, it may be required by law that the damaged property meet community ordinances and/or state floodplain management standards. ICC coverage provides funding to help cover the costs of meeting those requirements with the intent aimed at reducing future flood damage. ICC coverage is separate from and in addition to insurance coverage that provides for structural or personal flood damage.

Adjustments and Offset to the Amount of Assistance

Adjustments and offsets are deducted from the award amount.

NO RECEIPTS PROVIDED

If the household is unable to provide receipts to show work completed for assistance amounts received for housing repair and/or replacement, the full amount of housing repair and/or replacement assistance previously received will be deducted from the amount of funding for which the household would otherwise be eligible.

PARTIAL RECEIPTS PROVIDED

If partial receipts are provided by the household documenting that only a portion of the housing repair and/or replacement assistance previously received was used as intended, the amount received not supported by receipts will be deducted from the amount of funding for which the household would otherwise be eligible.

ALL RECEIPTS PROVIDED

If receipts are provided by the household documenting that the full amount of housing repair and/or replacement assistance previously received was used as intended, no deduction will be made from the award amount for which the household is eligible. In instances where no receipts or only partial receipts were provided by the homeowner, Bay County may consider self-certifications when calculating the amount of assistance that can be provided. In these instances, the following requirements apply:

- 1) The homeowner must provide a signed self-certified statement that documents in detail all labor and or repairs made to the damaged property following the 2018 hurricane: and

2) A Certified Inspector must determine with reasonable assurance that the repairs were made after the date of the disaster; and

3) Bay County will document, through photographs, the repairs that were made.

A Certified Inspector(s) is a person or persons hired by Bay County, qualified to inspect for labor and/ or repairs made to the damaged home in the absence of receipts. In conjunction with site inspections, self-certified statements of homeowners must be reviewed in detail by a Certified Inspector to determine:

1) whether the home was repaired,

2) whether the repairs could be reasonably determined as occurring after the 2018 hurricane, and

3) a reasonable value of the cost of repairs to the home (including labor).

RENTAL ASSISTANCE

Although Rental Assistance is not considered to be a source of DOB under the VHB, temporary housing expenses can offset the potential DOB amount. To offset the total amount, the following applies:

1) The offsetting amount would be the amount of documented expenses that exceed the amount received for Rental Assistance.

2) Self-certifications of the amount spent on, or the value of rental resources obtained is not sufficient to off-set potential DOB. Applicants can provide documentation for allowable activities to off-set potential DOB.

Allowable activities are temporary housing such as rent, hotel stays and applicable utilities that occurred because of temporary displacement from their primary residence because of the disaster. Eligible temporary displacement is from the time of the storm until the date of the verification letter. Evacuation costs are not eligible for DOB Offset.

Legal Fees

Legal fees that were paid to successfully obtain insurance proceeds will be credited to applicant and will not be deducted as part of the duplication of benefits calculation. Applicants must provide evidence of payment and self-certify in accordance with Bay County policy in order to be credited.

Tax Filings

Tax filings related to losses to the home do not affect funding assistance awards and are not considered a duplication of benefits. Applicants should consult a personal tax consultant about any tax related matters.

Incentives

Bay County will provide eligible participants with housing incentives to relocate to areas with a reduced risk of flooding. The purpose of the incentives is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the VHB.

While housing incentives are allowable, they must be justified and reasonable. Federal regulations prohibit the VHB from providing compensation payment. LMH qualified applicants are eligible to receive \$25,000 in incentive funds and non-LMH qualified applicants (LMA) are eligible to receive \$10,000 to help obtain housing in an area or lower hazard risk.

Title and Legal Services

Bay County will conduct a title search for each property it plans to acquire. The purpose of the title search is to ensure that the owner is the sole and actual titleholder to the property, identify other persons with a property interest, and to ensure that the title is clear. In addition, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with open space land use restrictions. Other requirements include:

- A title insurance policy, demonstrating a clear (fee) title conveyance, must be obtained for each approved property that will be acquired site inspection for each property verifying the property has no physical encumbrances, which may require a site survey to clearly establish property boundaries.
- Title to the property must transfer by a warranty deed in all jurisdictions that recognize warranty deeds.
- All incompatible easements or encumbrances must be extinguished.
- The County shall take possession at settlement.
- The County must record the deed at the same time as and along with the VHB programmatic deed restrictions.
- The deed transferring title to the property and the VHB programmatic deed restrictions will be recorded according to State law and within 14 days after settlement.

Offer to Purchase

Once an applicant has been determined eligible and an assistance amount has been calculated, the applicant will receive an offer to purchase. An applicant must sign a voluntary participation or non-participation agreement within 14 days of the buy-out offer. If applicant does not agree to the offer, they may counter-offer by providing their own appraisal prepared by a certified appraiser. The County will require proof of appraiser certification and review the counteroffer and make a decision regarding the appraisal amount that is to be used. The County will only consider independent appraisals conducted as a counteroffer when it can be verified that no apparent conflict of interest exists between the owner and appraiser. If an applicant appeals, the County will have fifteen (15) days to review the counteroffer and make a decision regarding the appraisal amount that will be used. Applicant will be notified by mail and/or electronic mail of the final decision.

Documenting Eligibility and Acceptance of Offer

Bay County will document the owner and property eligibility in the applicant file and will retain detailed copies of all award determinations as well as the applicant acceptance of the offered buyout and incentive amounts.

Applicant Closing

Property Before Closing

Participant must remove all personal property from the residence prior to the day of closing. Any personal property remaining after closing will be included in the demolition. Once the purchase offer has been made, the Seller is notified of available resources to help applicant move. Upon Homeowner acceptance of offer:

- BCPA review and approval.
- Bay County sends information to Title Company, requests title commitment, and invoice.
- Bay County receives invoice, title commitment, and preliminary settlement statement from Title Company.
- Bay County prepares set-up award statement including estimated closing and demolition costs.
- Bay County prepares setup file for DEO. Setup file to include award statement with cost of acquisition, necessary soft costs, incentives, and demolition (if applicable) costs.
- Setup file to include
 - Set-up form
 - Award Statement
 - Release of Funds
 - Sales Agreement
 - Title Commitment
 - Itemized Budget – includes closing costs based upon estimated closing date
- Bay County submits setup file to DEO.
 - DEO reviews and approves or reviews and denies setup.
- If approved, Bay County schedules closing.

Document Execution at Closing

The following documents will be signed by the applicant at the time of agreement:

- 1) Agreement for Sale
- 2) Subrogation Agreement
- 3) Promissory Note (if housing incentives are provided in addition to the FMV)
- 4) Agreement to have all utilities disconnected within 10 days.

Subrogation Agreement

Subrogation is the process by which duplicative assistance paid to the Property Owner after receiving an award is remitted to the VHB to rectify a duplication of benefit. All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to applicants not included in the original benefit determination calculation and/or received after their closing appointment, must be subrogated to the VHB to prevent a duplication of benefits.

Assignment Relation to Funds Received Under the VHB

In consideration of the Property Owner's award of funds and the commitment by Bay County to evaluate the Property Owner's application for the award of funds under the Bay County Voluntary Home Buyout Program, the Property Owner assigns to the VHB all future rights to reimbursement and all payments received under any insurance policy, including but not limited to any type of casualty or property damage

insurance (the Policies); any reimbursement or relief program related to or administered by FEMA or the SBA for physical damage to the property (not including proceeds received to cover contents); any other assistance from non-profit organizations, faith based organizations, or disaster relief entities, and other governmental entities, that was the basis of the calculation of the Property Owner's award to the extent of the proceeds paid under the VHB.

The proceeds or payments from the above-described duplicative assistance are referred to herein as "Proceeds." The rights the Property Owner assigns to the VHB are specific to the Property with respect to which the Proceeds were paid. The Proceeds paid, as described in the Property Owner's application with the VHB, arise out of physical damage to the Property originally caused by the federally declared disaster, but also includes Proceeds received for damage to the Property caused by any subsequent event that occurred (until the time of purchase of the Property using Program funds).

The Policies include, but are not limited to, policies characterized as damage, flood, or any other type of casualty or property damage insurance coverage held by the Property Owner, which provides coverage for physical damage to the Property. Once the VHB has recovered an amount equal to the award proceeds, the Bay County Voluntary Home Buyout Program reassigns any rights assigned to Bay County pursuant to this Agreement to the Property Owner.

Cooperation and Further Documentation

The Property Owner agrees to assist and cooperate with Bay County should Bay County elect to pursue any of the claims the Property Owner has against the insurers for reimbursement under any such Policies. The Property Owner's assistance and cooperation includes allowing suit to be brought in the Property Owner's name(s), giving depositions, providing documents, producing records and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by Bay County. The Property Owner further agrees to assist and cooperate in the attainment and collection of any proceeds that the Property Owner would be entitled to under any applicable FEMA or SBA Programs.

The Property Owner agrees to take necessary actions and to execute additional documents at Bay County's request to assign Property Owner's insurance policies to Bay County, to the extent of the funds granted to the Property Owner under the VHB and/or the disaster relief funds from FEMA or SBA.

Demolition

The VHB will procure a contractor to demolish existing structures on properties acquired by the County. Properties will be secured prior to demolition. After demolition, properties will be secured and maintained by the County. The Grant Manager oversees demolition of structures on properties acquired through the Voluntary Home Buyout Program. The Grant Manager will work with the contractor procured to perform the demolition and removal tasks to ensure compliance with all Federal, State, and local regulations.

Property Disposition

Properties may be disposed to local governments or nonprofit entities, subject to covenants protecting their use as open space in perpetuity. Any entity assuming ownership of the property must submit a plan for operations and maintenance of the property consistent with the VHB's purposes. The County may entertain the option to dispose of or lease in perpetuity, acquired properties to neighboring property

owners for no cost. Properties disposed of or leased in such a manner will be required to be deed restricted to HUD approved compatible uses.

Property Acquired through Voluntary Buyout

The intent is to engage in CDBG-eligible activities that best serve the future goals of the community. Properties acquired through the VHB must have a restrictive covenant running with the property and require that the buyout property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

- 1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management.
- 2) No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than allowable uses under HUD.
- 3) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity. The entity acquiring the property may lease it to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.
- 4) Following closing, the recorded deed is maintained by the Clerk of the Circuit Court and Comptroller and in the related program file. The County will add the property to its list of properties to be maintained. Bay County is responsible for the maintenance of the property. The County will provide mowing, tree trimming, weed eating, and debris removal services with County staff or through contractors as necessary. If the County disposes of or leases the property to another entity the County must ensure that the property is maintained and not subject to neglect or disrepair.

Closeout

Bay County will work to ensure records are complete, that all affordability requirements are adhered to, and that the County has performed all subrogation-monitoring processes. The County will create project and grant closeout checklists that will be maintained with the project file.

Procurement

Procurement is the acquisition of goods and services to be used by Bay County to carry out program activities utilizing CDBG-DR funds. The procurement process includes the decision to purchase as well as the process to complete the purchase. Goods and services procured to carry out the County's VHB CDBG-DR activities are to be conducted by the Bay County Budget and Finance Department or other Departments as appropriate and provided for by Bay County purchasing policies. As a subrecipient of DEO, Bay County is required to comply with requirements of 2 CFR §200.318 through 200.327 when procuring all property and services using CDBG-DR funds. In addition, the County will comply with all state and local procurement regulations as mandated by the State of Florida and in compliance with the current Bay County Purchasing Policy.

These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. In compliance with the County's subrecipient agreement with DEO, when the County uses a competitive solicitation as a means of solicitation, a copy of the advertisement, including proof of publication, will be submitted to DEO. DEO must approve the procurement otherwise the County will be constrained on the use of CDBG-DR for activities related to that procurement as described in the County's sub-recipient agreement with DEO. Before signature of any contracts "a copy of the proposed contract template and any proposed amendments, extensions, revisions or other changes thereto, must be forwarded to DEO for prior written approval" for any contracts for work under CDBG-DR.

Bay County will also inform DEO when the contractor or any of the sub-contractors are considered a minority vendor as defined in Section 288.703, F.S. The proposed contract and information regarding minority vendors will be submitted to DEO for review before the contract is submitted to the contractor for final approval and signature. The County will screen all potential vendors against state and federal lists for excluded parties, convicted vendors, discriminatory vendors, suspended vendors, and scrutinized companies.

The County will comply with all of the conflict-of-interest provisions provided in DEO's procurement policies and procedures. The County will comply with the conflict-of-interest provisions in 24 CFR 570.489(h) in any instances not governed by DEOs policies and procedures for procurement conflict of interest items. The County adheres to Part III- Code of Ethics for Public Officers and Employees Chapter 112, Florida Statutes and maintains a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. Conflict of Interest provisions listed at 24 CFR Part 85.36 (3) and all other applicable federal regulations will be incorporated.

Any questions regarding the applicability of law or determination as to whether laws conflict must be referred to the Bay County Attorney Office.

Attachment A contains the full Bay County Procurement Policy, and the following is the vendor policies:

1. Full and Open Competition It is the intent of the Board to provide all vendors, with the exception of those on the State Department of Management Services Convicted Vendor List, with a fair and impartial opportunity in which to compete for the County's business.

2. Public Entity Crime: Denial and Revocation of Rights In accordance with F.S. 287.133, any entity listed on the State Department of Management Services Convicted Vendor List shall be denied the right to conduct business or render any type of service for any County Department or Division to the extent required by the debarment, suspension, or other determination of ineligibility by the State.

3. Suspension and debarment

- A. Suspension. After consultation with the county attorney, the purchasing director is authorized to suspend a vendor from consideration for award of contracts if there is probable cause to believe that the vendor has engaged in any activity which might lead to debarment pursuant to subsection (c) below. The suspension shall be for a period not to exceed three months, and the purchasing director shall immediately inform the board at the next available regular session and provide notice to the affected vendor.

B. Debarment. After reasonable notice and an opportunity for the suspended vendor to be heard, the board shall either debar such vendor or terminate the suspension. The debarment should be for a period of not more than three years.

C. Grounds for debarment include:

(1) Entry of a plea of guilty, or no contest, or nolo contendere to or conviction of a criminal offense as an incident to obtaining or attempting to obtain public or private contract or subcontract, or in the performance of such contract or subcontract; or

(2) Entry of a plea of guilty, no contest, or nolo contendere to or conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty; or

(3) Entry of a plea of guilty, no contest, or nolo contendere to or conviction under state or federal antitrust statutes arising out of the submission of bids or proposals; or

(4) Violation of contract provisions, as set forth below, the character which is regarded by the board to be so serious as to justify debarment action: a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or b. A past record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts.

(5) Having been adjudicated guilty of any violation of the Bay County Building Department Licensing Division or the State of Florida Construction Industry Licensing Board within the past 12-month period prior to the time of bid submittal; or

(6) Having been adjudicated guilty by the Bay County Code Enforcement Board or the Department of Environmental Protection of any violation of an environmental ordinance within the past six-month period at the time of bid submittal; or

(7) Having been disqualified or found nonresponsive, based on the vendor's fraud or disqualification; or

(8) Having been adjudicated insolvent, having proceedings in bankruptcy instituted against it, or having a receiver or trustee appointed over its property; or

(9) Being in a proceeding (i.e., court proceeding, arbitration, or administrative proceeding) adverse to the county arising from or related to the vendor's performance of a contract with the county, or having unresolved financial claims pending by or against the county for a period of more than sixty (60) days; or

(10) Having been suspended or debarred by any other government entity; or

(11) Any other cause the board of county commissioners determines to be so serious and compelling as to affect responsibility as a county vendor, including debarment by another governmental entity.

D. Notice of decision. The county manager or board chairman shall issue a written notice to the vendor of the decision to debar or suspend. The final decision shall state the reasons for the action taken and inform the debarred or suspended person involved of his/her rights concerning judicial review by certiorari appeal to the Fourteenth Judicial Circuit Court. The written decision shall be mailed or otherwise furnished immediately to the debarred or suspended vendor.

4. Reinstatement Vendors that have been suspended from doing business with the County may be reinstated upon written request; however, debarred, or suspended firms shall not be reinstated during the period of a debarment or suspension.

5. Litigation and Arbitration the County Staff shall not issue any Purchase Orders or contracts to any vendors currently involved in litigation or arbitration with Bay County until such time as a satisfactory resolution is reached with such vendors; however, the Board may, in its sole discretion, award Purchase Orders or contracts to such vendors.

6. Dispute Resolution In the event a dispute occurs between a vendor and a Department, and the employee responsible for the contract cannot resolve the dispute, the following procedures shall apply:

A. The vendor shall submit a written statement via certified mail no later than 45 days from the time when the invoice was submitted to the County specifying the nature of the dispute regarding payment of the invoice.

B. Within five days of the receipt of the written statement submitted by the vendor, the appropriate Department Manager shall investigate the dispute and submit a decision to the County Manager's Office.

C. Within five days of the receipt of the written decision, the County Manager will review the dispute and make a final decision on the matter. The Purchasing Director will notify the vendor in writing, via certified mail and within five days of the date of the final decision. These procedures do not change the method of a bid protest as set forth in section 2-114 of the Procurement Code.

Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, no contractors are permitted to help develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals.

Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Requiring unnecessary experience and excessive bonding
- Noncompetitive pricing practices between firms or between affiliated companies
- Noncompetitive contracts to consultants that are on retainer contracts
- Organizational conflicts of interest

- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Contracting with Small, Minority, Women Owned Business

In order to comply with 2 CFR 200.321 Bay County utilizes DemandStar which solicits a variety of contractors including Small, Minority and Women Owned Businesses. Businesses who appear to provide services which may be solicited as part of CDBG-DR activities, who are not included on DemandStar, will be included and solicited for bids when appropriate activities requiring solicitation occur. Where practical and cost reasonable projects will be bid in smaller tasks to help support participation by smaller firms.

Section 3 Registered Businesses

The County is committed to ensuring that designated Section 3-eligible business concerns derive economic benefit from HUD-assisted projects built in their communities. Subrecipients, contractors, subcontractors are likewise expected to demonstrate that Section 3 certified business concerns are included in the contracting goals and are economic beneficiaries of business and procurement policies and practices. Section 3 eligible business concerns must be given priority in contracting for appropriate work.

The County will check the HUD Section 3 Business Registry online at <https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness> to identify any specific businesses within 50 miles of the County Administration Building. Businesses providing services being sought by the County using CDBG-DR funds will be notified of opportunities.

The County will make attempts to provide contracting opportunities (both construction and non-construction) available to Section 3-qualifying DBEs. The County will also strongly encourage contractors and subcontractors to make contracting opportunities available to Section 3-qualifying DBEs. The County will utilize such resources as FloridaJobs.org and CareerSource South Florida as part of its efforts to notify Section 3 businesses of potential contracts and will provide Section 3 resource information to contractors to assist in finding Section 3 qualified businesses and workers.

Anti-Fraud

Bay County will aggressively investigate all allegations of misconduct, fraud, waste, or abuse regarding eligibility and the disbursement of award amounts to applicants. With the assistance of our grant management contractor, processes have been developed to ensure applicant information is verified and systems are in place to detect and prevent fraud, waste, or abuse. All suspected cases of fraud, waste, or

abuse shall be referred to the HUD Office of Inspector General Hotline at 800-347-3735, 800-877-8339 TTY/ASCII, or by submitting a report online at www.hudoig.gov/hotline.

Internal Monitoring

The Clerk of the Circuit Court and Comptroller is responsible for the internal auditing of County departments under the BOCC. The Clerk conducts independent, objective reviews and evaluation of all relevant activities under the BOCC and coordinates the single audit with the Board departments and the County's external auditors. Bay County has a monitoring process which includes several layers of approvals before funds are expended, allowing the County, in essence, to monitor the use of funds on an individual basis. This process includes multi-level review of the use of funds. These reviews occur throughout the organization, from the front-line contractor(s) up through the Planning and Environmental Resources Director, the Budget and Finance Department, and ultimately the Clerk of the Circuit Court and Comptroller. At every level of the process, there is an evaluation made to determine that the use of funds is legitimate and in keeping with the requirements of the governing policies, procedures, rules, regulations, ordinances, and laws. If any other determination is reached, the use of funds is delayed until further information is obtained. If the additional information does not result in a positive determination, the use of funds for that purpose will not be allowed. Because the County will be directly overseeing the delivery of all CDBG-DR VHB activities, monitoring will be an on-going effort. The Grant Administrator will personally monitor all contractors including direct review and approval of all contractor invoices. The Grant Administrator will conduct periodic on-site monitoring and a County Building Inspector will conduct inspections for each property involved in the CDBG-DR VHB. In addition, the Grant Administrator will directly oversee quality control related to client application, file management, contractor relations with homeowners as well as the public reporting requirements described below.

The Intent of the Internal Monitoring Policies and Procedures are to:

- 1) Gauge the overall progress and effectiveness of program implementation.
- 2) Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
- 3) Identify areas that would benefit from technical assistance.
- 4) Differentiate the types of monitoring techniques that will be used during the monitoring review process.
- 5) Explain the current monitoring structure model.
- 6) Identify the role of the Clerk of the Circuit Court and Comptroller along with their essential assigned responsibilities.

Internal Controls

Bay County has existing policies and procedures meeting financial management requirements including applicable regulations and requirements, financial accountability and records, authorized signatures for payments and checks, requests for payments, bank accounts and checks, escrow accounts, administrative costs, property management, and audit requirements. The County has cash management procedures in place that minimize the elapsed time between receipt and disbursement of CDBG-DR funds. The

organizational structure encompasses risk management measures that establish clear lines of authority and approval, segregation of duties, separation of key processes and authorization and secure access to financial resources.

In summary, Bay County's internal controls are set up for responsible management of CDBG-DR funds and support the prevention of fraud, waste, and abuse to ensure:

- No person involved in the VHB decision-making obtains financial benefit.
- No single-point sign-off of significant transactions.
- Separate recordkeeping for mitigation funds versus general accounting operations.
- Reconciliation of accounts performed by employees not responsible for handling payroll preparation and issuance of paychecks.
- Hiring procedures match required financial skill sets to position descriptions.
- Policies and procedures are in place to maintain effective control and accountability for all cash, real and personal property and other assets.
- Policies and procedures are in place for controlled access to assets and sensitive documents.
- Reasonable measures are in place to safeguard protected personally identifiable information (PII). The VHB staff have established a weekly meeting to review the status of the program. These meetings regularly include non-VHB County staff members to provide additional oversight and transparency regarding the implementation and management of the program.

The meetings serve several critical functions which include:

- Updating program and County staff on the status of individual projects.
- Review of the financial status of the program.
- Discussion of concerns or challenges, current or anticipated.
- Allowing staff to discuss implementation to ensure program consistency.
- Ongoing compliance oversight and updates.
- Provides opportunities for the team to be updated on discussions or directions from DEO.
- Allows the team to identify issues or concerns which may need to be presented to DEO for consideration.
- Help in the prevention of fraud, waste, and abuse.

Internal Auditor

The Clerk of the Circuit Court and Comptroller (internal auditor) will provide both programmatic and financial oversight of grantee activities in order to comply with Federal Register Vol. 84, No. 169, V.A.1. a. The role of the Clerk of the Circuit Court and Comptroller is to conduct internal monitoring/audits of County administered programs as directed. The auditor will also be responsible for the review and evaluation of internal controls related to the County's CDBG-DR VHB and coordination of external audits

or monitoring by state and federal agencies. In addition, the internal auditor will be responsible for managing CDBG-DR Quality Assurance/Quality Control programmatic processes and coordinating the county's efforts to detect fraud, waste, and abuse in the VHB.

The internal auditor plays an important role in looking for errors and instances of malfeasance for procurements and program delivery as part of the County's administration of its CDBG-DR funds. The internal auditor verifies that the County has in place procedures to perform price and cost analysis of proposed expenditures of grant funds and those analyses are performed, when required. The internal auditor evaluates documentation maintained by the County, regarding price and cost analysis, and verifies inclusion of evidence that all costs are allowable, allocable, and reasonable. The internal auditor is responsible for preparing a report that describes all internal control activities, its testing of those controls, and any concerns or issues noted during its review.

The report will include a Schedule of Expenditures as described under 2 CFR 200.510(b). Since audits will be conducted annually audit requirements under 2 CFR 200.501 will be addressed regardless of the amount of funds expended by the VHB. All audits will be conducted in accordance with 2 CFR 200 Subpart F and will conform to the scope described in 2 CFR 200.514. The internal auditor will submit any requested auditing reports to DEO upon their request. As necessary, the Grant Manager along with its partners, develops an appropriate corrective action plan to strengthen the controls that mitigate, and address concerns or findings noted in the internal auditor's report. Documentation is required to ensure that corrective action has taken place prior to closing out concerns or findings. The County follows the 'Disciplinary Policies and Procedures' section of the Bay County Employee Handbook. Instances of fraud, waste, and abuse will be referred to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

Record Management

Bay County will maintain all files electronically in the County's data management system, CDR Maguire SharePoint Site. This site requires both an account and a license to access data. Only authorized CDR Maguire employees and select Bay County staff have access to the system. In SharePoint, the case manager provides daily maintenance and follow-up record keeping on individual cases. General program administration documents will be developed and maintained by the Grant Administrator and kept in a secured location or on secure servers.

These files will maintain documentation for the following items:

- Application Intake
- Eligibility review and determination
- Environmental review
- Procurement
- Invoicing and payment
- Change orders
- Local regulatory compliance (permitting, legal review, etc.)

- Program income
- Close out

The Grant Manager will provide periodic oversight of these records and will review the progress and records of any active projects as well as those that have yet to begin to ensure they are progressing in a timely manner. Formal monitoring is described in the VHB Internal Monitoring section of this document. Information maintained in project records will provide necessary data to complete reports and will be utilized during audits and monitoring to provide information needed as part of these activities. Information included in files may be supplemented with financial reports in order to provide concise details regarding specific project financial records. Once the VHB has fully expended all funds and the VHB is closed, records will be maintained by the Planning and Environmental Resources Department for security. All records will be maintained for a minimum of (6) six years after DEO issues the final closeout for this award.

Programmatic Progress Reporting

A monthly revised detailed budget that measures the actual cost versus the projected cost will be created and sent by the 10th day of the following month. A monthly revised and detailed timeline for implementation, consistent with the milestones outlined in the VHB program guidelines and report actual progress against the projected progress will also be sent by the 10th day of the following month. A monthly and quarterly report to DEO submitted by the 10th day of the following month or quarter, which will outline the progress made to date, the projected activities to be completed in the upcoming month or quarter, and any risks or issues that have been identified for the delivery of the project. The reports will include metrics that demonstrate the implementation costs to date with projected spending, and any other information DEO determines is necessary. Any other requested reports by DEO will be sent within 10 days of request.

Appeals and Complaints

The goal of DEO is to provide an opportunity to resolve complaints in a timely manner, usually within fifteen business days of the receipt of the complaint as expected by HUD, if practicable, and to provide the right to participate in the process and appeal a decision when there is reason for an applicant to believe its application was not handled according to program policies. All applications, guidelines, and websites will include details on the right to file a complaint or appeal and the process for filing a complaint or beginning an appeal.

Applicants are allowed to appeal program decisions related to one of the following activities:

- A program eligibility determination
- A program assistance award calculation, or
- A program decision concerning housing unit damage and the resulting program outcome.

Citizens may file a written complaint or appeal through the Office of Long-Term Resiliency by email at CDBG-DR@deo.myflorida.com or submit by postal mail to the following address:

Attention: Office of Long-Term Resiliency
Florida Department of Economic Opportunity
107 East Madison St.
The Caldwell Building, MSC 160
Tallahassee, Florida 32399

Subrecipient will handle citizen complaints by conducting:

- A. Investigations as necessary,
- B. Resolution, and
- C. Follow-Up actions.

If the complainant is not satisfied by Subrecipient's determination, then the complainant may file a written appeal by following the instructions issued in the letter of response. If, at the conclusion of the appeal's process, the complainant has not been satisfied with the response, a formal complaint may then be addressed directly to the DEO at:

Department of Economic Opportunity
Caldwell Building, MSC-400
107 E. Madison St.
Tallahassee, Florida 32399

The Florida Office of Long-Term Resiliency operates in Accordance with the Federal Fair Housing Law (The Fair Housing Amendments Act of 1988). Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination: 1-800-669-9777 (Toll Free), 1-800-927-9275 (TTY), or www.hud.gov/fairhousing.

Bay County will form a 2–3-person team to make the final decision on formal complaints and appeals at the county level.



**Bay County Board of County Commissioners
Agenda Item Summary**

Approval of Citizen Participation Plan

DEPARTMENT MAKING REQUEST/NAME:
Public Works Department Keith Bryant, P.E., PTOE, Director

MEETING DATE: 11/3/2020

REQUESTED MOTION/ACTION:
Review and approve the Bay County Citizen Participation Plan for the Community Development Block Grant – Disaster Recovery Program.

AGENDA
Public Works - Consent

BUDGETED ITEM? No
BUDGET ACTION:
Budget amendment needed to recognize inflow/outflow of funding.
FINANCIAL IMPACT SUMMARY STATEMENT:
The grant will reimburse the County for costs associated with this program.

BACKGROUND:
Bay County has applied for Community Development Block Grant Disaster Response (CDBG-DR) funding. This funding comes with numerous federal requirements. One of the requirements is the establishment of a Citizen Participation Plan. This plan is required by Section 104(a) (2) of the Housing and Community Development Act and by regulations at 24 CFR 91.105. The attached plan meets all federal requirements and has been reviewed and approved by the County Attorney. **(Exhibit 1)**

Staff is requesting approval of the attached Citizen Participation Plan.

ATTACHMENTS:

Description	Type
Exhibit 1 - Citizen Participation Plan	Exhibit

**BAY CITIZEN PARTICIPATION PLAN
COUNTY, FLORIDA and INCORPORATED JURISDICTIONS
COMMUNITY DEVELOPMENT BLOCK GRANT- DISASTER RECOVERY PROGRAMS
FOR HURRICANE MICHAEL**

Grantee: Bay County, Florida

Recipient's Address: Bay County Government Center, 840 West 11th Street,
Panama City, Florida 32401

Contact Person: Josee Cyr, Bay County Engineering Department

Contact Email: jcyr@baycountyfl.gov

Contact Phone #: (850) 248-8308

The primary goal of the Citizen Participation Plan is to provide citizens, especially low and moderate income citizens of the community where CDBG-DR funded activities will take place, an opportunity to participate in an advisory role in the planning, implementation, and assessment of the programs and projects.

The Citizen Participation Plan is required by Section 104(a) (2) of the Housing and Community Development Act and by regulations at 24 CFR 91.105.

The plan is vitally important to the success of CDBG-DR funded activities undertaken by local governments. Compliance with the plan reduces the number of legal challenges and citizen complaints against the local government recipient.

1. INTRODUCTION

The Citizen Participation Plan (CPP) has been prepared and implemented pursuant to federal regulations (U. S. Department of Housing and Urban Development (HUD) Regulations 24 CFR Part 91.105). Bay County has designed this community-wide Citizen Participation Plan to provide for and encourage citizen participation in the Community Development Block Grant (CDBG-DR) – Disaster Recovery (DR) program. This Plan is an essential element of Bay County present and future community disaster recovery process from Hurricane Michael.

The primary goal of this Citizen Participation Plan is to provide all citizens of the community with adequate opportunity to participate in an advisory role in the planning, implementation, and assessment of Bay County CDBG-DR program(s). Citizens are encouraged to participate in all phases of the CDBG-DR program(s) and will be provided full access to program information. However, final responsibility and authority for the development and implementation of CDBG-DR program(s) will lie with Bay County.

2. SCOPE OF PARTICIPATION

The Plan sets forth policies and procedures for citizen participation, which are designed to maximize the opportunity for citizen participation in the community disaster recovery process. Special emphasis has been placed on encouraging participation by persons of low and moderate incomes, residents of areas where community development funds are utilized, and within areas most significantly impacted by Hurricane Michael encourage citizen participation that emphasizes the involvement of low- and moderate-income residents, the County will continue to work with public housing authorities, neighborhood groups, and other organizations representing the City's low- and moderate-income areas and residents.

The County encourages the participation of local and regional institutions, the Continuum of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community/faith-based organizations) in the process of developing and implementing the documents related to the consolidated planning process. Also, the County will encourage participation from broadband internet service providers, organizations engaged in narrowing the digital divide, agencies who manage flood prone areas, public land or water resources, and emergency management agencies.

Bay County will make reasonable efforts to provide for citizen participation during the community disaster recovery process and throughout the planning, implementation and assessment of all CDBG-DR program(s) undertaken by Bay County. Local officials will make every effort to involve citizens in all phases of the development, implementation and assessment of community development programs including, but not limited to, the following phases:

- a. identification and assessment of housing and community development needs; determination of CDBG-DR project(s) and documentation; and the development of CDBG-DR application(s).
- b. changes and/or amendments to approved CDBG-DR projects; and,
- c. assessment of CDBG-DR program performance.

all phases of the community disaster recovery process will be conducted by local officials in an open manner. Citizens of Bay County are encouraged to participate at all levels and will be given access to program information during each phase of any CDBG-DR program as outlined herein.

3. CITIZEN PARTICIPATION CONTACT PERSON

The following persons have been designated Citizen Participation Coordinators for Bay County:

Josee Cyr, Engineer Department CDBG-DR Project Manager
jcyr@baycountyfl.gov
(850) 248-8308

Eve Tooley, Risk Manager
etooley@baycountyfl.gov
(850) 248-8230

The Coordinators will serve as the contact persons for all matters concerning citizen participation activities. This person shall be responsible for overseeing citizen participation throughout the community disaster recovery process and the implementation of all citizen participation activities and functions, except those, which may be specifically delegated to other parties by this Plan such as within a municipal jurisdiction. Each municipal jurisdiction will support the citizen participation activities outlined in this plan.

The specific duties and responsibilities of the Citizen Participation Coordinators shall include, but not necessarily be limited to: disseminating information concerning proposed projects and the status of current project activities; coordinating various groups which may be participating in the community disaster recovery process; receiving written comments; serving as a vehicle by which ideas, comments, and proposals from local residents may be transmitted to local officials and/or program staff; and, monitoring the citizen participation process and proposing such amendments to the Citizen Participation Plan as may be necessary.

4. TECHNICAL ASSISTANCE

The staff of Bay County shall provide technical assistance to individual citizens and citizen groups upon written request. Focus should be placed on those groups and representatives of persons of low or moderate income impacted by Hurricane Michael. Technical assistance shall also be utilized to foster public understanding of CDBG-DR program requirements and will be provided on request and may include, but not necessarily be limited to: interpreting the CDBG-DR program and its rules, regulations, procedures and/or requirements; providing information and/or materials concerning the CDBG-DR program; and, assisting low and moderate income citizens impacted by Hurricane Michael to identify their needs, and to develop activities and proposals for projects which, when implemented, will resolve those needs.

5. PUBLIC HEARINGS

Public hearings will be held during the launch of the program and during the close-out of the program to allow citizens to voice opinions and offer proposals concerning the development and performance of CDBG-DR programs. Local officials will respond to questions and proposals from citizens at each public hearing. Citizens may also express comments and views concerning the community recovery process or any specific CDBG-DR project to the governing body at any regularly scheduled BOCC meeting. Other municipalities may choose to provide similar opportunities at Board meetings.

Public hearings will be held at times and locations which will be accessible to all citizens, especially persons of low and moderate incomes, CDBG-DR project areas, and areas impacted by Hurricane Michael. Hearings may be held at the regularly scheduled monthly Board of County Commissioner Meetings in Panama City or at another designated time and place accessible to all citizens as decided by the County. For a complete listing of Board of County Commissioner meeting dates, times, and locations go to the following website: www.baycountyfl.gov

The building site is accessible to persons with disabilities. The incorporated cities may also choose to conduct public hearings at their regularly schedule City Board meetings.

This hearing will normally serve to discuss and review the information appropriate for applications submitted by Bay County. An application related public hearing will be held during the initial stage of program development to discuss items regarding community recovery and housing needs, the CDBG-DR program, and the application process. The objective of citizen participation at this stage is to provide meaningful, community-wide citizen input into the decision-making process during the assessment of community needs and the consideration of priorities and options associated with the development and submission of a CDBG-DR application.

Citizens will be provided with information concerning the CDBG-DR program at this public hearing. Such information shall include, but not necessarily be limited to: the goals and objectives of the CDBG-DR program; the total amount of CDBG-DR funds available for the fiscal year and for the funding round; the role of citizens in program planning, implementation, and assessment; the range of activities which may be undertaken; the process to be followed in developing a CDBG-DR application; a statement the CDBG-DR funds will be used to benefit low-to-moderate income people; and provide citizens with contact information such as address, telephone number, and dates for submitting complaints or grievances.

5.1 Assessment of Performance Public Hearings

Citizens of Bay County will be provided with the opportunity to comment on the performance of local officials, Bay County staff, consultants, engineers, and contractors, and the actual use of CDBG-DR funds during the implementation of a CDBG-DR program. Citizens will also be requested to assess the performance of Bay County in resolving identified community development and housing needs, and in achieving its community development goals and objectives. On-going community assessment of the effectiveness of the community disaster recovery process is considered essential to the success of the CDBG-DR program.

At the conclusion of each CDBG-DR project, a community meeting will be held to review program activities and to assess program performance. This hearing will be used to ensure community-wide participation in the evaluation of the CDBG-DR program.

5.2 Additional Hearings

Other public hearings may be held as deemed necessary by Bay County in order to inform citizens of community development project(s) and activities, and to solicit citizen opinions and comments. All additional hearings shall comply with the requirements set forth in this Plan.

5.3 Limited English Proficiency Residents

Bay County has followed the guidance provided in the Language Access Plan to determine the need to undertake reasonable actions to facilitate the participation of persons with Limited English Proficiency. Local officials will undertake all reasonable actions necessary to allow such persons to participate in the community disaster recovery process. Such actions may include the provision of materials in Spanish.

5.4 Public Hearing Notice

Notice of public hearings will be published in a newspaper of general circulation and the hearing will take place not less than fourteen days and no more than twenty days prior to the date of the Public Hearing in the non-legal section of a newspaper of general circulation. Each notice of a hearing shall include the time, date, place and topic to be discussed.

During times of Pandemic, the County may choose virtual meetings or to post public hearing information on its County website allow for a 14-day comment period. In choosing the option for posting public comment, the County will still follow proper public noticing guidelines by advertising the posting in a newspaper of general circulation in the non-legal section for five (5) consecutive days A copy of the post and any public comments will be submitted to DEO as part of the application.

Bay County will publish all Public Hearing Notices in the Panama City News Herald. Bay County will disseminate the public hearing notices through postings and press releases to all media outlets (see attached list).

5.5 Accessibility to Persons with Disabilities

The locations of all public hearings as described herein shall be made accessible to persons with disabilities. Additionally, Bay County shall provide reasonable accommodations whenever requests are made through the Citizen Participation Coordinators at least 48 hours in advance that one or more persons with mobility or developmental disabilities will be in attendance.

6. PROGRAM INFORMATION

The County provides for full and timely disclosure of program records and information consistent with State and Federal laws regarding personal privacy and obligations of confidentiality. Documents relevant to the programs shall be made available at the Bay County Board of Commissioner County Government Center, 840 W. 11th Street, Panama City, FL 32401 during regular business hours Monday through Friday, 8:00 a.m. – 5:00 p.m. for citizen review upon a written public records request.

Materials to be made available shall include, but are not necessarily limited to: the Citizen Participation Plan; records of public hearing; mailings and promotional materials; letters of approval; grant agreements; procurement records; labor standards materials; performance and evaluation reports; other reports required by the DEO and/or HUD; proposed and approved CDBG-DR program application(s) for the current year or project; written comments or complaints received concerning the community development program, and written responses from Bay County, and copies of the applicable Federal and State rules, regulations, policies, requirements and procedures governing the CDBG-DR program.

In no case shall Bay County or the incorporated cities disclose any information concerning the financial status of any program participant(s), which may be required to document program eligibility or benefit. Furthermore, Bay County shall not disclose any information that has been regulatory confidentiality protection.

7. PROCEDURES FOR COMMENTS, OBJECTIONS, COMPLAINTS AND APPEALS

Citizens are encouraged to submit their views and proposals on all aspects of a community development program at the public hearings. Citizens may, at any time, submit written comments or complaints to Bay County. Complaints for County should be submitted to the Citizen Participation Coordinator. Should, after a reasonable period, a party believe that his/her comment or complaint has not been properly addressed or considered, then the aggrieved may appeal his/her case to Bay County Board of County Commissioners and/or the incorporated jurisdictions City Board of Commissioners.

Local officials shall make every effort to provide written responses to citizen proposals or complaints within fifteen (15) working days of the receipt of such comments or complaints where practicable. Should Bay County be unable to sufficiently resolve an objection or complaint, it may be forwarded by the aggrieved party to the DEO.

Citizens may, at any time, contact the DEO and/or HUD directly to register comments, objections, or complaints concerning the Bay County CDBG-DR application(s) and/or program(s). Citizens are encouraged, however, to attempt to resolve any complaints at the local level as outlined above prior to contacting the DEO or HUD.

All comments or complaints submitted to the DEO or the HUD shall be addressed in writing to:

The Florida Department of Economic Opportunity
Rebuild Florida Program
107 E. Madison Street
Tallahassee, Florida 32399
Or:

U.S. Department of Housing and Urban Development
Community Planning and Development Division
Atlanta Regional Office
Five Points Plaza Building 40 Marietta Street
Atlanta, Fa 30303-2806

Records of all comments, objections, complaints and/or appeals by citizens concerning the Bay County CDBG-DR program and subsequent action taken in response to those comments shall be maintained on file at Bay County and shall be made available for public inspection upon request.

8. AMENDMENTS

Bay County may, from time to time, modify the provisions outlined herein through amendment to this Citizen Participation Plan. It shall be the policy of Bay County to periodically review and discuss the effectiveness of this Citizen Participation Plan in allowing citizen participation in the community disaster recovery process and in helping to meet the community development needs and goals identified by the citizens of Bay County. To this end, the effectiveness of the Plan will be discussed at public hearings held in conjunction with the community development program as discussed herein, and potential amendments to the Plan will be reviewed at this time.

Amendments to the Plan will be made as necessary. All amendments shall be approved by resolution of Bay County and shall be incorporated into this Plan.

9. AUTHORITY

No portion of this Citizen Participation Plan shall be construed to restrict the responsibility and authority of the elected officials of Bay County in the development, implementation, and execution of any Community Development Block Grant – Disaster Recovery Program.

Compliance Monitoring

Bay County has established a monitoring/oversight program to ensure that buyout assistance is being provided to eligible owners, for eligible properties, and in the proper assistance amounts. On a weekly basis, the Grant Manager, in coordination with the County's technical consultant and other County staff, will conduct program status update meetings. These meetings include compliance monitoring reviews of the CDBG-DR VHB, its projects, and general program management and implementation. These meetings often include updates to the Department Director and/or other County staff. Additionally, the Case Manager also conducts monitoring activities by reviewing files approximately every 10-14 days to provide applicants and staff with project updates. The program staff will also utilize technical service resources, not involved with the Bay County VHB, to review each project file for completeness before they are sent to DEO for review.

These reviews are conducted to keep all files up to date and to help identify any compliance concerns such as the following:

- Case management error
- PPI violation
- Drawdown or fund redistribution error at the VHB manager level
- Procurement error
- Program implementation error

Corrective actions will be taken immediately to address any identified errors. Issues and findings will be recorded as will the corrective actions addressing the identified issue. The Grant Manager will maintain documentation of issues and findings identified during monitoring and audits, as well as record any issues found by staff or the County's consultant during program implementation and management. The corrective actions must address the issues in as expeditious a manner as possible. The corrective actions will not only serve to rectify the identified issues or findings but will also provide any reparations, staff adjustments, staff training, rebidding, public notification, P&P revisions, and financial corrections as is necessary and applicable. Issues and findings identified which arise due to financial recordation or processing error will be managed by the Budget and Finance Department in coordination with the Planning and Environmental Resources Department.

Any issues and findings involving the Budget and Finance Department will be recorded and corrective actions will be undertaken which address the issues in as expeditious a manner as possible. The corrective actions will not only serve to rectify the identified issues or findings but will also provide any staff adjustment, staff training, policy and procedure revisions or other activities as necessary to ensure the issues are not repeated. Corrective actions will ensure that all impacts are fully addressed, and any regulatory or procedural violations are thoroughly addressed in a permanent fashion.

DEO Monitoring

Bay County will maintain constant communication with DEO regarding management and implementation of CDBG-DR funds. To support DEO with program oversight, each project file will be submitted to DEO for review of specific items per the County's sub-recipient agreement with DEO. These items include a review

of DOB material, any URA actions, property appraisal, environmental review and any project specific notes or considerations. Any procurement documents will also be submitted to DEO for review and approval before distribution or publication.

Bay County will submit to monitoring of its activities by DEO as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the Bay County Sub-Recipient Agreement. Bay County will work with DEO staff in preparation of any program monitoring. VHB will work to collect any documents or information DEO may need during monitoring in order to support an efficient and informative monitoring process. The County will make program staff available during DEO monitoring and will provide DEO with access to all program files and documents.

Record Retention

All records will be held by the Subrecipient, Bay County, for a length of time no less and no more than six years. It will be held on a USB Flash drive and be viewable upon request for any audits requested by the local, state, or federal government.

Fair Housing

Bay County will undertake and manage the CDBG-DR VHB in conformity with the federal Fair Housing Act, the Florida Fair Housing Act, Section 104(b)(2) of the Housing Community Development (HCD) Act of 1974 and other federal and state regulations governing fair housing. Additionally, the County will adhere to fair housing requirements outlined in the subrecipient agreement with FL DEO.

In managing and implementing the VHB the County will take actions to ensure that no person shall, on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability, be:

- excluded from participation in
- be denied the benefits of
- be subjected to discrimination under
- or be denied access to the CDBG-DR VHB.

The County has adopted a resolution for VHB Fair Housing Activities which included the designation of the VHB Project Manager (also known as the Local Government Project Contact in the VHB Subrecipient Agreement) as the Fair Housing Coordinator. The County will undertake the following activities in order to comply with fair housing regulations and to affirmatively further fair housing through the VHB:

- Fair housing informational posters will be located in the VHB offices notifying the public of their fair housing rights.
- The County will include contact information for both the Fair Housing Coordinator as well as state and HUD fair housing contacts on the County's website.
- The County will engage in quarterly fair housing activities and report those as required by the Subrecipient Agreement.
- The County has developed a formal fair housing complaint form and the Fair Housing Coordinator will record all formal complaints and refer complainants to the appropriate fair housing specialist through the state or HUD offices. Fair Housing Complaint forms for the Florida Commission on Human

Relations and HUD will also be maintained on file by the Fair Housing Coordinator and available to the public. VHB staff will provide copies of any received complaint forms to the Bay County Housing Authority.

- The Fair Housing Coordinator will maintain a record of any related calls including a log of calls received, the nature of the call, the actions taken, and any resulting referrals.
- While the Fair Housing Coordinator does not have the legal authority pursue or enforce potential fair housing issues or violations outside of the scope of the VHB, the Fair Housing Coordinator will provide complainants with the necessary contacts to further address those issues or may contact those additional fair housing resources as deemed appropriate.
- In addition to ensuring that fair housing conflicts do not arise through the implementation of the VHB, the Fair Housing Coordinator will provide applicants with fair housing resources if fair housing conflicts appear to occur outside of the direct oversight of the VHB. This may include cases where applicants seeking relocation housing may appear to be subject of fair housing issues or discrimination. Bay County will take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:
 - Bay County will make all efforts to communicate, both orally and in writing, in appropriate languages to affected residents. Content on the county's webpage is accessible through language translation tools provided on the webpage.
 - Bay County will provide reasonable accommodations as needed to make the VHB accessible to people with disabilities. Content on the county's webpage has been designed with accessibility guidelines and links to accessibility tools are provided on the webpage.
 - Bay County will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request. The County will retain all fair housing documentation and records in compliance with the record retention policies of the VHB.

Recapture

Recapture of Duplicative Benefits To address any potential future duplication of benefit, applicant beneficiaries must, at grant agreement execution, enter into a signed subrogation agreement to repay any assistance later received for the same purpose as the CDBG-DR funds. If, subsequent to an award, a re-assessment 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 CDBG-DR funds.

When the state or the subrecipient is notified of or becomes aware of a payment to an applicant from any source that may be duplicative of a CDBG-DR-funded purpose, the state or its subrecipient will require the applicant to provide all pertinent information necessary for the state or its subrecipient to make a determination of whether the payment was duplicative and whether the applicant must repay the state or its subrecipient any portion of the CDBG-DR award. The state or its subrecipient will review the payment received by completing the Initial Award Methodology outlined above. The resulting duplication of benefit example worksheet will be signed and dated by the person completing the example worksheet and placed in the permanent file of the applicant. A copy of the example worksheet will be forwarded to the legal department of the state or its subrecipient, who shall take all legal steps permitted and required by the subrogation agreement to recapture any funds deemed duplicative.

Subrogation

Subrogation is the process by which duplicative assistance paid to the Property Owner after receiving an award is remitted to the VHB to rectify a duplication of benefit. All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to applicants not included in the original benefit determination calculation and/or received after their closing appointment, must be subrogated to the VHB to prevent a duplication of benefits.