



## **BOULDER COUNTY COLLABORATIVE**

### **CDBG-DR**

#### **Home Access**

#### **Housing Assistance Program**

#### **Program Policies and Procedures**

*For residents affected by the September 2013 flood*

Administrative Entity:

County of Boulder

Department of Transportation

720-564-2237



Intentionally left blank.

## TABLE OF CONTENTS

### Pages(s)

1. Home Access Program Purpose & Service Area	4
2. Applicant Eligibility	4
2.1 Applicant Eligibility Criteria	4
2.2 Calculating & Verifying Income and Assets	4
2.3 Primary Residence	4-5
2.4 Legal Residents	5
2.5 Duplication of Benefits	5
3. Property Eligibility	5
3.1 Eligible Structures	5
3.2 Ineligible Structures	5
3.3 Environmental and Historical Review	5
3.4 Property Use Eligibility	5
4. Grant Approval/Denial	5-6
4.1 Eligible Use of Funds	5-6
4.2 Maximum Award	6
4.3 Granting Guidelines	6
4.4 Grant Conditions	6
4.5 Vulnerability Index	6
4.6 Applicant Prioritization	6
5. Contracting	7
5.1 Boulder County Requirements	7
5.2 Home Access Construction Standards	7
6. Shared Home Access Structure	7
7. Assistance to Renter Occupied Homes	8
7.1 LMI National Objective	8
7.1.1.1 Rental Projects Qualifying as LMI	8
7.2 Uniform Relocation Act	8
8. Program Administration	8
8.1 Eligible Expenses for DR-HAP	8
8.2 Oversight	8
8.3 Fraud, Waste and Abuse	8
8.3.1.1 Due Diligence	8
8.3.1.2 Client Awareness and Education	9
8.3.1.3 State and Federal Compliance Audit	9

## **1. Home Access Program Purpose & Service Area**

The goal of the Community Development Block Grant - Disaster Recovery (CDBG-DR) Home Access Program (DR-HAP) is to re-establish access to homes (cut off by flood damage) through construction, repair or replacement of privately maintained roads, bridges and culverts damaged by the September 2013 disaster.

In providing assistance, the DR-HAP will comply with the following:

- a. Applicable federal, state, and local laws and regulations,
- b. Requisite HUD National Objectives,
- c. The Colorado Action Plan for Disaster Recovery,
- d. Requirements of the existing contract between Boulder County and the Colorado Department of Local Affairs (Award #14-085).

The DR-HAP will operate throughout Boulder County excluding the entitlement area within the City of Longmont. The DR-HAP will provide service to the entitlement area within the City of Boulder.

## **2. Applicant Eligibility**

- There will be no minimum income requirements.
- Maximum income and asset limits may be applied, as determined by CDBG-DR staff and adopted under applicable Boulder County procedures.
- 51% of DR-HAP funds spent will serve households below 80% of the Area Median Income (AMI).

### **2.1 Applicant Eligibility Criteria**

- a. “Applicant” in this document refers to all individuals who have applied, but have not yet received funding, whereas “client” refers to applicants who have been approved to receive funding.
- b. Applicant’s access to a primary residence (owner occupied, full-time rental, or a home intended to be used as a primary residence) must have been affected by the September 2013 disaster.
- c. Clients must meet HUD’s National Priority of Low and Moderate Income (LMI) [24 CFR 570.483(b)] and/or Urgent Need [24 CFR 570.483(d)].
- d. Outreach priority is given to households directly impacted by the flood and containing residents who are disabled, elderly, reside in manufactured homes, veterans, single parents, and/or have children under the age of five (5).

### **2.2 Calculating and Verifying Income and Assets**

DR-HAP is responsible for collecting income and asset verification documentation and such evidence must be retained in each applicant’s file. Verification of income will be based on BCC 1040 Income Calculation Method. Documentation of assets is required as part of the Vulnerability Index review process but will not be factored into the income calculations per HUD regulations for determining income using the 1040 method.

### **2.3 Primary Residence**

The Home Access project must be intended to restore access to a primary residence, or a “Main Home” as defined by IRS publication 936. DR-HAP will confirm that clients are using,

or will be using (upon completion of HAP project), the home as a primary residence at least annually, as per requirements outlined in the client's beneficiary agreement. Current ownership must be verified.

## **2.4 Legal Residents**

DR-HAP will comply with eligibility and verification requirements found in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("Welfare Reform Act").

## **2.5 Duplication of Benefits**

A Duplication of Benefits analysis will be completed for each applicant in accordance with March 5, 2015 Federal Register (78 FR 14329). All unused disaster assistance funds received by the applicant will be applied to the DR-HAP project and the CDBG-DR assistance will only pay for remaining unmet needs.

# **3. Property Eligibility Criteria**

## **3.1 Eligible Structures**

The following Home Access structures are eligible:

- a. Roads, bridges, culverts, etc. located on property owned by an individual or a group of homeowners; or
- b. Roads, bridges, culverts, etc. that are in a public right of way, but have a legally binding written agreement that requires a private party (or parties) to construct and/or maintain the structure; and
- c. Access structures in the floodplain or floodway, but only if they are functionally dependent upon the waterway, if the owner obtains building permits and if the project successfully completes the HUD environmental clearance as required under 24 CFR Part 58. The HUD environmental review must include a thorough cost/benefit analysis of all options to mitigate the risk of future flooding, and all practical mitigation measures must be implemented.

## **3.2 Ineligible Structures**

The following housing types are NOT eligible for DR-HAP assistance:

- a. Homes in the floodplain that cannot acquire National Flood Insurance Program (NFIP) insurance.
- b. Homes that cannot acquire property and casualty insurance.

## **3.3 Environmental and Historical Review**

Environmental and Historical reviews will be conducted on all DR-HAP access structures and properties in accordance with 24 CFR Part 58.

## **3.4 Property Use Eligibility**

- a. Homes intended for use as a vacation home or seasonal home are not eligible for assistance.
- b. All owner-occupied residences and full-time rental properties, and other homes intended to be used as such, are eligible for assistance.

# **4. Grant Approval/Denial Policy & Procedures**

## **4.1 Eligible Use of Funds Provided to Clients**

- Hired professional expertise necessary to acquire permits, including access design and engineering, hydraulic/hydrologic modeling, and surveying.
- Permit fees.
- Labor and materials for construction.
- Attorney’s fees for shared-access maintenance and easement agreements, as determined to be necessary and approved for cost reasonableness by Boulder County.
- Recording fees (for legal documents).
- Removal of structure installed for interim access.
- Removal of pre-flood access structure (damaged or destroyed).
- Supplies, design/engineering, labor, materials.
- Reimbursement of pre-award costs, subject to CPD Notice 14-017.
- Closing costs.
- Additional DR-HAP costs as deemed necessary and approved for cost reasonableness by Boulder County.

#### **4.2 Maximum Award**

Maximum award per DR-HAP project is \$500,000.

#### **4.3 Granting Guidelines**

Equal Opportunity Lender– DR-HAP will not discriminate against anyone through its lending practices or in any other decision making processes due to race, color, religion, gender, disability, sexual preference, age, family status and/or national origin.

#### **4.4 Grant Conditions**

All DR-HAP assistance will take the form of a grant with the following conditions:

- Clients may be required to agree to a use restriction requiring primary residency.
- Clients with insurable structures in the floodplain must obtain and maintain flood insurance in perpetuity, unless such insurance is unavailable. If a house in the floodplain is assisted with HUD disaster funds and fails to maintain flood insurance on the property, the homeowner will be ineligible to receive federal assistance for repair, replacement, or restoration for flood damage following the next disaster event; this is a statutory provision at Section 582(a) of the National Flood Insurance Reform Act of 1994.
- Clients must maintain Property and Casualty Insurance coverage on the home that the DR-HAP project serves.

#### **4.5 Vulnerability Index**

DR-HAP applicants will be prioritized according to Boulder County CDBG-DR applicant intake policies and assigned a Vulnerability Index (VI) Score.

- VI scoring criteria are outlined in Boulder County Resolution 2014-76– Establishing Guidelines for Administration of County Community Development Block Grant - Disaster Recovery Funds, Exhibit C.
- When determining project priority for an access serving multiple homes, the applicant with the highest VI score will be used as proxy for the entire project.

#### **4.6 Applicant Prioritization**

In addition to an applicant’s VI score, DR-HAP applicants will be also prioritized according to specific program priorities:

- Restoration of access structure where no current access structure exists, or where the existing access structure is not permitted or fails to meet health and safety standards.
- Restoration of access structures that are proposed to serve multiple households.

## 5. Contracting

The homeowner client or group of homeowner clients are responsible for procuring and contracting with any hired firm(s). Boulder County requires an addendum to be attached to all contracts between clients and hired firms, outlining CDBG-DR and DR-HAP requirements. All contracted firms must meet minimum insurance and contracting requirements to meet applicable federal, state, and local laws, regulations, and standards.

### 5.1 Boulder County Requirements

All work performed under the DR-HAP must be completed in compliance with:

- Boulder County Multimodal Transportation Standards;
- Boulder County Land Use Code and Building Codes; and,
- Boulder County Storm Drainage Criteria Manual.
- Whenever a conflict exists between the above codes, the most stringent will be applied.

### 5.2 Home Access Construction Standards

- All DR-HAP projects must bring the structure into federal, state, and local floodplain management and building compliance, and must be fully permitted.
- All DR-HAP structures must complete a full environmental review in accordance with 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)), and mitigate risks accordingly.
- DR-HAP will comply with lead-based paint regulations from HUD (24 CFR Part 35) and the EPA (40 CFR Part 745).
- The DR-HAP client(s) receiving assistance must not have viable alternative access to their home.
- DR-HAP will review structure design and engineering to ensure that they are within reason for a project of similar scope (i.e. not excessive), while also considering the need for resiliency to withstand future flood events while meeting standards for cost-reasonableness.
- Davis-Bacon wage regulations apply to all Home Access projects that are classified as “heavy construction” by the U.S. Department of Labor.
- “Interim Assistance” may be provided to build temporary access; future changes to creek, driveway or roadway alignment may require access modification in order to be made permanent.

## 6. Shared Home Access Structures

- a. All shared access structures will divide project costs into pro-rata shares. Pro-rata shares will be determined by future use patterns, existing easements, ownership, and property adjacency to the right-of-way. CDBG-DR can only be used to pay the pro-rata share for eligible applicants.
- b. Each group of households who share a home access structure must agree in writing to share responsibility for ongoing maintenance of the structure. DR-HAP will retain a signed copy of this legal document in each client’s file.

## **7. Assistance to Renter-Occupied Homes**

Rentals in one to four unit buildings are eligible for DR-HAP assistance. DR-HAP staff will determine if a project qualifies as Urgent Need or LMI based on the tenant's income.

### **7.1 LMI National Objective**

Rental properties that are reported to HUD under the LMI National Objective will be required to meet primary residency and affordability restrictions.

#### **7.1.1 Rental projects qualifying as LMI:**

- As required by federal, state, and local law and regulations, a use restriction requiring primary residency will be required.
- As required by federal, state, and local law and regulations, a use restriction requiring affordability will be required.
- The property owner is required to verify tenant's eligibility.

### **7.2 Uniform Relocation Act**

Uniform Relocation Act (URA) applies to Home Access projects that will displace tenants.

## **8. Program Administration**

### **8.1 Eligible expenses for DR-HAP**

- Project Activity- Direct assistance to applicants to the DR-HAP as described in section *D.1.- Eligible Use of Funds Provided to Clients*
- Program Delivery and Overhead- Staff payroll, etc.
- Environmental Review consulting fees
- Title and easement search fees
- Additional fees and costs determined necessary for the successful implementation of the program.

### **8.2 Oversight**

Oversight of the DR-HAP is delegated by the Boulder County Board of County Commissioners to the CDBG-DR Funding Panel. Funding Panel authority and responsibilities are outlined in Boulder County Resolution 2014-76.

### **8.3 Fraud, Waste, and Abuse**

It is the intention of the DR-HAP to use CDBG-DR resources efficiently, effectively, and expediently to assist community members in their recovery from the September 2013 disaster. Additionally, the DR-HAP intends to prevent fraud, waste, and abuse through the following methods:

#### **8.3.1 Due Diligence**

- Information submitted on client applications will be verified to the greatest extent required and feasible.
- Client files for completed projects will be comprehensive and stored in an organized



manner.

### **8.3.2 Client Awareness and Education**

- Applicants to the program will be informed of program requirements during the application, award, project, closeout, and post-closeout phases.
- Beneficiary agreements will be comprehensive and be secured by Deed of Trust and/or Use and Affordability covenants, when required.

### **8.3.3 State and Federal Compliance Audit**

- The DR-HAP will facilitate compliance audits as required by state, local, and federal entities.