



## **Duplication of Benefits Procedures**

Property Owners Affected by  
Hermine or Matthew and Irma

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## Purpose

In September and October 2016, Florida was subjected to the powerful destructive force of Hurricanes Hermine and Matthew. In September 2017, Florida was struck by Hurricane Irma. These storms left flooding and wind damage in their wakes. Though the storm paths were different, some overlap between Irma and either Hermine or Matthew did occur. This has resulted in a double-blow to some property owners recovering from one storm when the second hit.

Congress appropriated and the U.S. Department of Housing and Urban Development (HUD) allocated funding to Florida for housing, infrastructure and economic development unmet disaster recovery needs for Hurricanes Hermine, Matthew and Irma. HUD funding was made available through the Community Development Block Grant—Disaster Recovery (CDBG-DR) program. The Florida Department of Economic Opportunity (DEO) is the responsible entity for administering these funds.

DEO has published action plans for both the Hermine and Matthew recovery and the Irma recovery. Two different paths have been taken for each of these recovery efforts related to housing. A subrecipient-driven model has been implemented for Hermine and Matthew and a directly-administered model for Irma.

DEO is funding Hermine and Matthew recovery at the subrecipient level, which promotes the local government creation and delivery of housing recovery services. This means that disaster-affected citizens will apply to the local government for assistance to repair, replace, or rebuild their disaster affected property. The local government retains responsibility for qualifying property owners, assessing eligibility and unmet need, and making awards to eligible property owners. Under the Hermine and Matthew disaster recovery grants, DEO retains a supporting, monitoring and oversight role.

In contrast, DEO is directly administering the Rebuild Florida Housing Repair and Replacement Program (HRRP) for Hurricane Irma recovery. This means that disaster affected citizens will apply at the state level to DEO's Rebuild Florida HRRP for assistance. DEO is responsible for qualifying property owners, assessing eligibility and unmet need, and making awards to eligible property owners.

DEO recognizes its fiscal and regulatory responsibility to administer all CDBG-DR funds consistent with all federal and state requirements. Those property owners that were affected by both Hermine or Matthew and Irma may apply to either the local government program funded for Hermine and Matthew recovery or the state-run program funded for Irma recovery. However, property owners may not receive funding from both sources. Property owners affected by two storm events may only receive funding from one program.

DEO recognizes that due to the geographic overlap of Irma with the paths of Hermine and Matthew, there are some homeowners who experienced damages from more than one storm. Additionally, there may be property owners affected by two storms who have

only registered with Federal Emergency Management Agency (FEMA) or other assistance programs for one event or who may not have registered for any assistance for either event.

Federal law prohibits any person from receiving federal funds for any part of such loss as to which he or she has received financial assistance under any other program or from insurance or any other source. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, (42 U.S.C. 5121–5207), as amended, (Stafford Act), and Federal Register Notice, Vol. 76, No. 221, Wednesday, November 16, 2011 provides that CDBG-DR funding may only be provided to the extent that it does not duplicate funding provided to a beneficiary for the same purpose.

Because DEO is responsible for ensuring compliance with the federal rules that govern Florida's CDBG-DR program funding, DEO is establishing this procedure to ensure that program participants will not receive an improper Duplication of Benefit. All sources of assistance received from private insurance, U.S. Small Business Administration (SBA), FEMA, the National Flood Insurance Program (NFIP), Increased Cost of Compliance (ICC), and other forms of assistance will be properly accounted for in award calculations. This will require additional coordination between DEO and the subrecipients administering Hermine and Matthew housing programs.

## **Policy Framework**

### **A. Geography**

Hermine and Matthew subrecipient housing programs will be run by the counties of Citrus, Hernando, Pasco, St. Johns, and Volusia, as well as the City of Jacksonville in Duval County.

For Irma affected property owners, the Rebuild Florida Housing Repair and Replacement Program (HRRP) run by DEO will serve property owners in the following counties and ZIP codes: Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwanee, Union, Volusia, 32084, 32091, 32136, 32145, 32771, 33440, 33523, 33825, 33870, 33935, 34266.

### **B. Property Owner Choice in Participation**

Property owners affected by both Irma and Hermine or Matthew can choose to participate in either their local government's housing recovery program for Hermine and Matthew or

the state's Rebuild Florida HRRP for Irma. The counties where this situation will arise include: Citrus, Duval, Hernando, Pasco, St. Johns, and Volusia.

Property owners who received damages as a result of Hermine or Matthew only are only eligible to apply to a subrecipient program.

Property owners who received damages as a result of Irma only are only eligible to apply to the Rebuild Florida state-run program.

### **C. Procedure for Hermine and Matthew Subrecipients with Applicants Who Also Experienced Damages in Irma**

Subrecipients are allowed to repair both Hermine or Matthew and Irma damages using Hermine and Matthew funding. In accordance with Federal Register Notice 5582-N-01, document number 2011-29634, a change in circumstances can affect need and result in the reevaluation of a grant calculation (see Appendix A for the Federal Register Notice) when applicants experienced property damage as a result of the 2016 storm (Hermine or Matthew) and had not yet completed repairs when the 2017 storm (Irma) occurred. The subsequent storm event is presumed to have resulted in additional unmet need.

DEO recognizes it is nearly impossible to distinguish between damages attributable to different disaster events. Therefore, damages identified in the damage assessment need not be distinguished between storm events. All needed eligible repairs observed during the subrecipient damage assessment will be entered into the unmet need / award calculation.

DEO must account for all sources of previous assistance received for both Hurricane Hermine or Matthew and Hurricane Irma for the purpose of permanent housing repair or replacement. The sources could result in prohibited duplication of benefits if not accounted for properly. DEO must assess private insurance, NFIP, ICC, FEMA IA, and SBA disaster housing loans, as well as any non-profit or community based assistance provided to the applicant for permanent housing repairs under Hermine and Matthew and Irma disaster recovery assistance programs.

DEO must calculate all sources of disaster recovery assistance previously provided to applicants for permanent repairs from both storms. Any documentable eligible uses of these sources of funding may be excluded from the calculation and deducted from the totaled source amount. All exclusions must be documented by eligible receipts provided by the applicant. If receipts are unavailable, the subrecipient must require the applicant to sign an affidavit describing the attempted and/or completed repairs and estimated value of those repairs. The value that may be excluded from the duplication of benefit analysis and deducted from the total source amount must be determined by an inspection that identifies a line-item by line-item estimate of repairs completed, and must include enough photo documentation to support the estimate. Any amount that cannot be substantiated must be included in the duplication of benefit analysis and assessed as a

duplication of benefits that will result in the reduction of the applicant's benefit. Any gap between the repair / reconstruction estimate and the available applicant award must be paid by the applicant in accordance with the subrecipient's program policies and procedures.

#### **D. Cross Program Verification of Application**

Prior to any applicant award, the Hermine and Matthew subrecipient must verify with DEO to determine whether the proposed awardee is an applicant of the Rebuild Florida HRRP. If the subrecipient's proposed awardee is an applicant of the HRRP, the applicant will be removed from the HRRP program unless:

- 1 The HRRP has already qualified an applicant for an award and referred the property to construction procurement at the time that the subrecipient attempts to verify applicant participation; then, the applicant will be disqualified from the subrecipient's housing program and the subrecipient's application will be closed.
- 2 The HRRP has qualified an applicant as eligible and the application has not been referred to construction procurement; then the applicant will be given the choice to close either the subrecipient application or the Rebuild Florida application. The applicant will have 15 business days (from date of initial notification from DEO representative) to notify both programs of his/her decision.

#### **E. Notification Requirements**

At the time of application intake, DEO must notify property owners that they may only be enrolled in one of the housing programs available—either the subrecipient's Hermine and Matthew program or the state's Rebuild Florida HRRP. Subrecipients must further notify the applicant that prior to award, the applicant's participation in only one program will be verified. Upon verification that the applicant is attempting to participate in both the subrecipient's housing program and the state's Rebuild Florida HRRP, both applications will be handled as set forth in Section D above.

#### **F. Procedure for Rebuild Florida HRRP Applicants Who Have Also Experienced Damages in Hermine or Matthew**

Applicants in the Rebuild Florida HRRP with damages from both Hurricane Irma and Hurricanes Hermine or Matthew will undergo a tiered analysis. The applicant will be required to sign an affidavit attesting to one of the following scenarios:

- 1 All Hurricane Hermine or Matthew damages were repaired and completed prior to Hurricane Irma. Hurricane Irma resulted in new damages.
- 2 Hurricane Hermine or Matthew damages were partially repaired and incomplete prior to Hurricane Irma. Hurricane Irma resulted in additional damages.
- 3 Repairs needed from Hurricane Hermine or Matthew damages were not initiated prior to additional damage resulting from Hurricane Irma.

Depending upon the scenario chosen by the applicant and sworn to by affidavit, the following procedures will be followed:

**Scenario 1:** If all repairs for Hermine or Matthew were completed, the applicant will sign an affidavit to this effect. All needed repairs will then be presumed to be Irma damage. Rebuild Florida HRRP will presume that the applicant spent all available Hermine or Matthew disaster recovery assistance on Hermine or Matthew repairs. Therefore, only Irma sources of potential duplication of benefits will be assessed.

**Scenario 2:** If Hermine or Matthew damages were partially repaired at the time of Irma and Irma resulted in additional damages, all sources of potential duplication of benefit from both storms will be used in the unmet need / award calculation for Rebuild Florida HRRP. Property owners will be required to provide receipts, invoices, contracts and/or other acceptable support documentation dated between September 2016 (Hermine) or October 2016 (Matthew), respectively, and present, to substantiate the value of damages experienced in Hermine or Matthew and the amount of previous disaster recovery assistance spent to make repairs prior to Irma. Any documentable repairs made during this time period will be excluded from the duplication of benefit analysis and deducted from the duplication of benefit totaled sources.

Without supporting documentation, duplicative assistance received for Hermine or Matthew will be counted toward the calculation of duplication of benefits for Irma. If receipts are unavailable, the subrecipient must require the applicant to sign an affidavit describing the completed repairs and estimated value of those repairs. The value that may be excluded from the duplication of benefit analysis and deducted from the total source amount must be determined by an inspection that identifies a line-item by line-item estimate of repairs completed and must include enough photo documentation to support the estimate. Any amount that cannot be substantiated must be included in the duplication of benefit analysis and assessed as a duplication of benefits that will result in the reduction of the applicant's benefit. Any gap between the repair / reconstruction estimate and the available applicant award must be paid by the applicant in accordance with Rebuild Florida program policies and procedures.

**Scenario 3:** If no Hermine or Matthew damages were repaired prior to Irma and Irma resulted in additional damages, all sources of potential duplication of benefit from both storms will be used in the unmet need / award calculation for Rebuild Florida HRRP. No exclusions will be applied to reduce the amount of duplication of benefits assessed.

## Procedures

The Multi-Storm Properties - Eligibility and Award Calculation Worksheet will be incorporated into the both program's application intake and eligibility processes, and the applicant's award will be adjusted accordingly by the Hermine and Matthew subrecipient or Rebuild Florida Verification of Benefits (VOB) team to determine the overall Duplication of Benefits (DOB).

	(1) Hermine or Matthew 2016	(2) Irma 2017	TOTAL
<b>Determine Eligibility</b>			
<b>a. Verified Loss level</b>	YES	YES	YES
<b>b. Ownership</b>	YES	YES	YES
<b>c. Located in Eligible County</b>	YES	YES	YES
<b>d. Structure Type</b>	YES	YES	YES
<b>e. Occupancy/Primary</b>	YES	YES	YES
<b>Determine Other Assistance Received</b>	\$ Total All Hermine or Matthew DOB Sources	\$ Total All Irma DOB Sources	Column 1 + Column 2 This Row
<b>DOB Exclusions</b>			
<b>a. Receipts</b>	\$	\$	Column 1 + Column 2 This Row
<b>b. Paid invoices</b>	\$	\$	Column 1 + Column 2 This Row
<b>c. Executed contracts</b>	\$	\$	Column 1 + Column 2 This Row
<b>d. Cancelled checks</b>	\$	\$	Column 1 + Column 2 This Row
<b>e. Affidavit + Completed Repairs Estimate</b>	N/A	\$ Completed Repairs Estimate	Column 2 This Row
<b>Total DOB Exclusions</b>			\$ Total this Column Value from preceding 5 Rows
<b>Total DOB</b>	N/A	N/A	Total Assistance minus Total Exclusions

<b>Determine Damage</b>	N/A	Damage Assessment	Irma Damage Assessment
<b>Determine Award Calculation</b>	N/A	N/A	Irma Damage Assessment minus Total DOB

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# Appendix A- Federal Register Excerpt

Federal Register Notice, Vol. 76, No. 221, Wednesday, November 16, 2011.

Federal Register :: Clarification of Duplication of Benefits Requirements Under the Sta... Page 11 of 15

D. *Calculate CDBG disaster recovery award.* The calculation may look as follows: (1) Identify total post-disaster need prior to any assistance; (2) Identify potentially duplicative assistance; (3) Subtract all assistance found to be duplicative, resulting in the maximum potential award amount, or unmet need.

E. *Unmet need.* Long-term recovery is a process, however, disaster recovery needs are calculated at points in time. As a result, a subsequent change in circumstances can affect need. If, after needs are initially calculated and/or a CDBG award has been made, an applicant for CDBG disaster recovery assistance can demonstrate a change in circumstances, such as vandalism, contractor fraud, an increase in the cost of materials and/or labor, a change in local zoning law or building code, or subsequent damage to a home or business that was partially repaired, the grantee may subsequently reevaluate the calculation of the award by taking into account the increased need. However, any reevaluation must be done before the initial need for which the assistance was granted has been fully met (*e.g.*, before the damaged house is fully repaired). In effect, once the house is fully repaired, the need resulting from the disaster impact will have been fully met; but actual costs to the point of completion are eligible. 

Oftentimes, unmet need does not become apparent until after CDBG disaster recovery assistance has been provided. For example, a subsequent storm or disaster may affect the unrepaired house or business of an individual or entity that was previously assisted by CDBG disaster recovery for a prior disaster. Therefore, to the extent that an original disaster recovery need (*e.g.*, rehabilitation of a home) was not fully met, but was exacerbated by other factors beyond the government's and individual's control (*e.g.*, lack of contractor availability or vandalism), additional CDBG disaster recovery assistance can be provided to meet the outstanding need. Grantees have discretion to determine the best way to determine and verify additional or unmet need. Physical inspection and professional appraisals are highly recommended. If a subsequent appraisal demonstrates that the CDBG award is in excess of need, the grantee should evaluate whether a duplication of benefits has occurred or whether the applicant's award should be reduced based upon program eligibility criteria.

## V. Example Frameworks for Calculating Disaster Recovery Awards

The tables below illustrate how a grantee may wish to address the process of making disaster recovery awards.

Table 2—Basic Framework for Calculating Disaster Recovery Awards

1. Identify Applicant's Total Need Prior to Any Assistance	\$100,000
2. Identify All Potentially Duplicative Assistance	35,000
3. Deduct Assistance Determined to be Duplicative	30,000
4. Maximum Eligible Award (Item 1 less Item 3)	70,000
5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	50,000

Table 2 illustrates a basic way to calculate an award for CDBG disaster recovery—taking into account any duplication of benefit and reducing the award since the total unmet need is greater than the program cap set by the grantee. Table 3, below, uses this basic framework to calculate a CDBG disaster recovery homeowner rehabilitation award:

