

STATE OF FLORIDA

ACTION PLAN *for* DISASTER RECOVERY



Submitted to the U.S. Department of Housing and Urban Development (HUD) in fulfillment of requirements for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program for recovery from Hurricane Irma.

Non-Substantial Amendment 4			
Previous Page #	New Page #	Section	Change/Addition/Deletion
N/A	94-96	General Action Plan Requirements	Added information about Florida's Construction Lien law and DEO's policy to pay for bonding and/or repayment of a legally enforceable construction lien on behalf of the residential property owner
104	105	Projects and Activities	Deleted "The determination may be established based on the calculation that the cost of rehabilitation is close to or exceeds the cost to reconstruct" and added "A structure is not suitable for rehabilitation if the cost of repair is unreasonable based on program standards as specified in the Housing Repair and Replacement Program Guidelines for Single Family Housing and Rental Properties."
N/A	110 - 111	Projects and Activities	Added Housing Repair and Replacement Program application selection pilot methodology

7. Infrastructure Activities

DEO will encourage its subrecipients to incorporate mitigation measures into rebuilding activities by providing opportunities to leverage Hazard Mitigation Grant Program (HMGP) and Public Assistance (PA) mitigation funding on projects that are CDBG-DR eligible. By providing opportunities to leverage mitigation resources and prioritizing eligible projects that are included in countywide local mitigation strategies, capital improvement plans and other regional plans, DEO will encourage the advancement of long-term resilience to natural hazards and ensure that grantees are aligning investments with other local capital improvement projects as well as local and regional post-disaster recovery and mitigation plans.

DEO will encourage subrecipients to consider the costs and benefits of the project when selecting CDBG-DR eligible projects. This will be completed by encouraging subrecipients to perform a self-assessment of each proposed project and selecting the project(s) that provide(s) the greatest impact within the confines of the budgeted grant amount.

All projects proposed to DEO will undergo Affirmatively Furthering Fair Housing (AFFH) review before approval. Such review will include an assessment of the proposed project area's demography, socio-economic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low- poverty, non-minority areas in response to natural hazard-related impacts. DEO will monitor each program during implementation phase, and will perform additional analysis through program implementation to ensure all protected classes are adequately served. All subrecipients will certify that they will affirmatively further fair housing in their grant agreements.

DEO will rely on professional engineers, procured by the subrecipients, to employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure and ensure that the construction or rehabilitation of stormwater management systems in flood areas will mitigate future flood risk.

8. Leveraging Funds

DEO will encourage subrecipients to leverage CDBG-DR funds with funding provided by other federal, state, local, private, and nonprofit sources to utilize the limited CDBG-DR funds. This will be specifically encouraged for the homeowner buyout programs as well as infrastructure programs. By encouraging local governments to use CDBG-DR as match for the FEMA Hazard Mitigation Grant Program and Public Assistance Mitigation program, communities will be able to better utilize both of these funding sources as often local governments cannot afford match for HMGP and PA mitigation programs and CDBG-DR funding can go further if not funding a project fully. DEO will report on leveraged funds in the DRGR system. When leveraging funds, in accordance with the Robert T. Stafford Act, as amended, the state will implement policies and procedures to ensure no individual receives duplication of benefits for the same purpose and/or effect to recover from Hurricane Irma.

9. Protection of People and Property; Construction Methods

The housing assistance provided under DEO's disaster recovery program will be built with emphasis on high quality, durable, sustainable, and energy efficient construction methods and materials.

These include the following minimum standards:

- Construction standards will be based on the Florida Building Code and must meet or exceed applicable requirements.
- Construction will comply with the Green Building Standard for all new construction of residential buildings and for all replacement of substantially damaged residential buildings (i.e., where repair costs exceed 50 percent of replacement cost) under the Florida Green Building Coalition.
- For rehabilitation construction, the state will follow the Green Building Retrofit Checklist to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances, or other equivalent.

DEO will establish compliant standards for construction. Construction contractors will be qualified through an invitation to bid process. To ensure full and open competition, through an invitation to bid process will follow 24 CFR 570.489(g) at a minimum. Contractors will comply with section 3 of the Housing and Urban Development Act of 1968 (12. U.S.C. 1700lu), and implementing regulations at 24 CFR part 153. Contractors selected under DEO will ensure that low and very low-income persons- particularly directing opportunities to local residents and businesses that meet the qualifications of the project. Contractors will make every effort to recruit, target, and direct opportunities to Section 3 residents and businesses as well as notifying Section 3 residents about training opportunities. DEO will provide Contractors with helpful resources to maximize these efforts including, but not limited to, a Section 3 Business Registry, and examples of training and employment opportunities. Contractor procurement procedures will be monitored by DEO.

Contractors, subcontractors, material suppliers, laborers and professionals have a right to enforce claims for payment of unpaid labor, materials, and/or services against the real property improved, according to Florida law (Chapter 713, Part I of the Florida Statutes). This claim is known as a construction lien and cannot be waived in advance pursuant to Florida law. If a legally enforceable construction lien against an applicants' primary residence results from any construction project under DEO's disaster recovery programs, the Department will provide for release and satisfaction of the resulting legally enforceable construction lien through bonding and/or repayment of the lien on behalf of the property owner.

DEO will provide a mechanism for homeowners to appeal the quality of the rehabilitation work. DEO will require a warranty period post-construction for housing with all work being performed by the contractor guaranteed for a period of one year. Information about the complainant's rights and how to file a complaint or appeal regarding the quality of work will be printed on all program applications and/or guidelines. Records of each complaint will be kept on file and DEO consultants will respond to complaints and appeals in a timely manner, or within 15 business days, when practical. DEO consultants will be responsible for follow-up on construction quality complaints. Construction quality appeals will be verified by inspection and monitored by DEO.

As stated in the Federal Register, CDBG-DR funds are prohibited from being used to enlarge a dam or levee beyond the original footprint of the structure that existed prior to the disaster event. DEO will ensure that if subrecipients use CDBG-DR funds for levees and dams, the subrecipients will (1) register and maintain entries regarding such structures with the U.S. Army Corps of Engineers National Levee Database or National Inventory of Dams, (2) ensure that the structure is admitted in the U.S. Army Corps of Engineers PL 84-99 Program (Levee Rehabilitation and Improvement Program), and (3) ensure the structure is accredited under the FEMA National Flood Insurance Program. DEO will upload into the DRGR system the exact location of the structure and the area served and

protected by the structure and maintain file documentation demonstrating that the grantee has conducted a risk assessment prior to funding the flood control structure and that the investment includes risk reduction measures.

10. Program Income

The state anticipates it may generate program income as part of the activities allowed under this allocation. Should any funds be generated, recovery of funds including program income, refunds, and rebates will be used before drawing down additional CDBG- DR funds. These amounts will be recorded and tracked in the state accounting systems and recorded in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds, and ensures that program income retained by one will not affect grant draw requests for other subrecipients. Subrecipients will be required to report program income quarterly and will be subject to applicable rules, regulations and HUD guidance. Retention of program income will be in compliance with the sub-grant agreements.

11. Monitoring Standards and Procedures

The state has adopted monitoring standards, including procedures to (i) ensure program requirements (including non-duplication of benefits) are met, and (ii) provide for continual quality assurance and adequate program oversight. These standards and procedures are included in the pre-award Implementation Plan as required by the Federal Register. Monitoring will be conducted by DEO who will be supported by an external vendor procured through competitive solicitation to ensure that program activities progress toward timely completion and to allow for the early identification of potential issues and problems so they can be prevented or corrected.

Monitoring will also include environmental compliance under 24 CFR Part 58. DEO currently has staff that will oversee environmental compliance. Additionally, the current staff will be augmented by external vendors procured through competitive solicitation.

The DEO Disaster Recovery monitoring program includes desk monitoring and onsite monitoring with priority and frequency based on the results of a risk assessment of each subrecipient. The purpose of the risk assessment is to define the scope and focus of the monitoring efforts, including establishing a framework for determining the appropriate level of monitoring consistent with available resources. In addition, the risk assessment will be required each state fiscal year to guarantee continuous review of risks. DEO monitoring is based on criteria consistent with HUD guidance in assessing program risk. The risk assessment provides the basis for developing individual monitoring strategies and documents the decisions and recommendations regarding where to apply staff and travel resources for monitoring, training, and/or technical assistance.

The Florida Auditor General and staff will act as the state's independent auditor and conduct financial audits of the accounts and records of state agencies. Where applicable, accounting policies and procedures of DEO should mirror the requirements of the Office of Auditor General.

The State of Florida is dedicated to the prevention of fraud, waste, and abuse. DEO's Office of the Inspector General serves as DEO's internal auditor. Internal audit functions associated with Disaster Recovery funding may be supported by external vendors procured through competitive solicitation. All suspected cases of fraud will be taken seriously and complaints will be reported to DEO's Office of the Inspector General at OIG@deo.myflorida.com or 1-855-456-0650. If the Office of Inspector General has reasonable grounds to believe there has been a violation of criminal law, the Office will report expeditiously to the appropriate law enforcement agency.

4. Program Details

Housing Activities

The unmet housing needs in Florida due to Hurricane Irma are greater than housing assistance dollars available. The federal notice (FR-6109-N-01) requires states to primarily consider and address unmet housing needs. To address these needs, DEO proposes the following programs which are described in more detail below:

- Housing Repair and Replacement Program
- Workforce Affordable Rental New Construction Program
- Land Acquisition for Workforce Affordable Rental Program
- Voluntary Home Buyout Program

HUD requires DEO to define what would constitute a housing unit “not suitable for rehabilitation.” DEO defines “not suitable for rehabilitation” as one of the two following definitions:

1. Residential properties that have experienced repetitive losses under FEMA’s National Flood Insurance Program (NFIP).
2. Dwellings that are considered substandard and do not meet the recovery program’s housing rehabilitation standards and/or federal, state, local code requirements shall not be deemed suitable for rehabilitation, as determined by the program and consistent with program guidelines. A structure is not suitable for rehabilitation if the cost of repair is unreasonable based on program standards as specified in the Housing Repair and Replacement Program Guidelines for Single Family Housing and Rental Properties.

As DEO identifies project sites with counties and communities, DEO will coordinate with VOADs (Voluntary Organizations Active in Disaster) and other Housing Counseling Agencies to provide additional support and services as needed by homeowners and renters. DEO will ensure outreach with HCAs to ensure that anyone that needs assistance will receive it.

Cost Verification

As a recipient of Federal funds, DEO is charged with ensuring that the costs of its activities are reasonable and necessary. Properties with repair and/or elevation cost estimates that meet or exceed 75% of a comparable reconstruction or replacement house as determined by standard operating procedures and policies will provide homeowners the option to select a reconstructed or replacement house. Properties with repair and/or elevation cost estimates that meet or exceed a comparable reconstruction or replacement house will be limited to reconstruction or replacement as a more cost reasonable option. Situations where replacement, reconstruction and/or elevation will be required include:

- Homes that have already been demolished may be replaced or reconstructed.
- Homes that are condemned (red tagged) by the local jurisdiction may be replaced or reconstructed.
- Homes that are structurally unsafe or that have other conditions that make interior inspection by program staff unsafe or impossible may be replaced or reconstructed.
- As stated in the Action Plan, repair of a Mobile/Manufactured Housing Unit (MHU) greater than 5 years old and/or with more than \$15,000 worth of Hurricane Irma repairs is not feasible and replacement is warranted.

DEO will track and project total obligation of grant funds for each proposed activity. As the projected grant award agreement total value for any activity approaches full obligation, DEO will analyze the remaining potential eligible applicant pipeline to determine the amount of remaining unmet need for prioritized applicants and the remaining balance of funds available to serve those applicants. DEO may choose to place remaining applicants on hold until priority household applicants are fully processed and needs most realized. As program applications are monitored, DEO may choose to adjust the percentage of funding or re-allocate additional funding from other programs with less production to maximize assistance for priority applicants eligible and seeking assistance.

Housing Repair Pilot Initiative

DEO will undertake a pilot initiative to examine the potential time savings and additional expenses that may result from a concurrent processing model, rather than a linear processing model.

The Pilot Initiative is a method of identifying a cohort of initial registrants in each impacted area that can be deliberately observed through the full HRRP process to identify and resolve issues prior to the bulk of the applicants getting into the full process. The close observance of the pilot cohort is intended to test initial process design and yield informed decisions to improve efficiencies as the rest of the applicant population comes into the workflow.

The pilot cohort will be processed concurrently for application, eligibility, damage assessment and environmental review prior to the feasibility, duplication of benefits and award steps. The simultaneous processing of these tasks will be allowed as activity delivery costs for the pilot group.

This dual-tracked process that results in the flagging of applications as either part of the Pilot Initiative or non-pilot will contribute to DEO's ability to perform a real-time test of the program. The identified pilot cohort will have no impact on other applicants' progress through the process. Any issues that DEO finds can be addressed and resolved to ensure smooth processing of the bulk, average and more complicated applications.

Initial registrants that are outside of the pilot group will also be processed at the same time the Pilot Initiative files are moving through the system. However, the applicants that are outside of the pilot group will follow the linear process path which requires completion of application prior to initial eligibility review, clearance of eligibility review prior to damage assessment, clearance of damage assessment prior to environmental review, clearance of environmental review prior to feasibility, duplication of benefits and award.

The pilot initiative is intended to gauge the benefits and identify issues associated with a concurrent processing method. It will support an analysis of whether the more conservative linear model, the concurrent model, or some combination of the two processes will provide the best results for the Department of Economic Opportunity (DEO) and our Irma-affected citizens.

Pilot Selection Process

At the initial stage of applicant registration, a group of applicants will be randomly selected within the Priority 1 invitation group based on property characteristics. DEO will process these applicants by conducting the application completion, initial eligibility, damage assessment and environmental review steps at the same time. The rest of the Priority 1 population will continue normal processing under the linear model, which will require each step to be completed prior to the next step starting. This will allow DEO to maintain compliance with the

stated prioritization schedule, as described in this Action Plan, while testing alternatives that could result in a reduced overall processing time.

Established conditions and assumptions underlying the test of the initial cohort:

- Only Priority I registrants were randomly selected for the Pilot Cohort
- Motivated registrants will complete their applications early
- Identified local VOADs will assist applicants to speed up their completion

Cohort screening criteria:

- From the original 10 counties or 4 ZIPs (Tier 1 ERR complete)
- Insurance \$0, FEMA \$1-15000, SBA \$0, NFIP \$0 benefits
- Not in flood plain
- House built after 1978
- No Letter of Substantial Damage /No condemnation letter (Add into damaged section of application)
- Repair program

The only screening criteria used for the pilot cohort are those listed above. No other attribute of the property or applicant were used to screen for pilot selection. Both owner-occupied as well as rental applicants were included in the screening. Registrant/applicant IDs were selected at random as long as the criteria listed were met, which maintained the integrity of the prioritization requirements outlined in this Action Plan.

The Application Pilot project timeframe is defined by the substantial completion of the pilot application group's environmental review and submission of that documentation to the Department of Economic Opportunity.

Basis for Calculating Housing Assistance Awards

If eligible and awarded, housing assistance award calculations may be based on the following factors:

1. In order to ensure that housing assistance amounts are cost reasonable, the maximum amount of CDBG-DR assistance available to a single housing unit under the Housing Repair Program is \$150,000. In cases of demonstrable hardship or where local housing markets warrant an increase of the cap, DEO may allow projects to proceed that exceed the program cap. This will be determined on a case-by-case basis. The program cap may also be exceeded to provide funding for difficult or unexpected repairs above and beyond the housing cap, when the costs are deemed necessary and reasonable by DEO.
2. A review of all funding received by the applicant from any source to calculate the total previous assistance received by the applicant and to ensure no Duplication of Benefits (DOB);
3. Damage/scope of project work needed; and,
4. Reconstruction or Replacement Value

Housing assistance awards will be determined by first factoring in the inputs listed above and then deducting any duplication of benefits or qualified offsets for eligible repairs already performed. The pre-determined program assistance amount will then be applied. Funds qualified as DOB may be required in support of the overall construction assistance provided. Awards may include expenses for additional related costs such as green building and mitigations requirements, elevation, insurance, ADA modifications, repair or replacement of water, sewer and utility connection needs.

Cost effective energy measures and improvements that meet local zoning and code, Decent Safe and Sanitary (DSS) or required Housing Quality Standards (HQS), especially those improvements which add enhanced