



Community Development Block Grant - Disaster Recovery Program FAQ

PROGRAM OVERVIEW

The 2021 CDBG-DR Allocation for the Marshall Fire and Straight Line Winds Event is part of the State of Colorado [Housing Recovery Program \(HRP\)](#). The purpose of the Housing Recovery Program is to provide grants/forgivable loans and loans for those who have been impacted by state-declared disasters. The CDBG-DR portion of HRP consists of the following grant programs:

- Homeowner Rehabilitation and Reconstruction
- Landlord Property Rehabilitation and Reconstruction
- Home Wind and Wildfire Hardening
- Municipal Infrastructure and Planning/Capacity Funding

Program	Budget
Homeowner Rehab and Reconstruction	\$5,477,250
Small Rental Rehab and Reconstruction	\$600,000
Housing Program Subtotal	\$6,077,250
Wind and Wildfire Housing Protection Program	\$370,000
Infrastructure Assistance Grant Program	\$267,000
Resilience Planning, Education & Capacity Building Grant Program	\$330,000
Mitigation Program Subtotal	\$967,000
Administration	\$370,750
Total	\$7,415,000

ELIGIBILITY

Eligible Disasters

Who is Eligible for the Housing Recovery Program (HRP)?

- The damaged property must have sustained damages as a result of the 2021 Marshall Fire and Straight Line Winds event and be located within Boulder County.



- You have an existing funding gap for rebuilding that is not covered by homeowners insurance or other financial support, including FEMA, non-profit support, or other financial assistance for rebuilding.
- **Homeowners:** You were the property owner of the dwelling that was your primary residence at the time of the disaster and the owner of the property at the time of application.
- **Landlords:** The property owner must have been a resident or jurisdiction-based business or nonprofit organization authorized to operate in the State on December 31st, 2021. Property owners do not have to reside in the State at the time of application to be eligible.

Who is eligible to receive CDBG-DR funding for the Planning, Education & Capacity Building Grant Program?

City of Louisville, Town of Superior, Boulder County, or a joint application from the aforementioned municipalities. These funds can support plan development and capacity building consistent with 24 CFR §570.205 [click here](#)

Eligibility and Household income level

Awards in the Housing Recovery Program will be based on the income level of the household. Household income is calculated on income at the time of application. The Area Median Income (AMI) varies by County and is also dependent on household size. To find your income level and eligibility for HRP funds, take the following steps:

Boulder County Median Family Income = \$125,400								
Household Size	1	2	3	4	5	6	7	8
80% AMI	\$ 63,000	\$ 72,000	\$ 81,000	\$ 89,950	\$ 97,150	\$ 104,350	\$ 111,550	\$ 118,750
100% AMI	\$ 90,000	\$ 100,350	\$ 112,900	\$ 125,400	\$ 135,450	\$ 145,500	\$ 155,500	\$ 165,550
120% AMI	\$ 105,350	\$ 120,400	\$ 135,450	\$ 150,500	\$ 162,500	\$ 174,550	\$ 186,600	\$ 198,650
150% AMI	\$ 131,700	\$ 150,500	\$ 169,300	\$ 188,100	\$ 203,150	\$ 218,200	\$ 233,250	\$ 248,300

1. Find the row that represents your household size (including children and any non-family members who live there permanently).
2. Based on your annual income, read across the Household size row until you get to the column with the first dollar amount that equals or exceeds the combined annual income of all household members.
3. The first column that equals or exceeds your household income is your AMI level (80%, 100%, 120%, and 150%). This level of AMI is used to identify the grant you may be eligible for. Households with an annual income that is greater than the county’s 150% AMI are not eligible for a grant but are eligible for traditional loans.

For example, a Boulder County household of 3 persons with a combined household income of \$100,000.

- Use Household Size of 3 persons



- Read across the row with three persons until the AMI number equals or exceeds \$100,000
- As the 100% AMI column is \$112,900, that equals or exceeds the household income of \$100,000
- The household income in this example is 100% of the AMI

Are second homes or vacation homes eligible for funding?

No. These funds are only available for homes that were used as primary residences at the time of the disaster. Second homes and short term rental properties are not eligible for this program.

Eligible expenses

The award will be based on standard construction, rehabilitation, reconstruction, replacement, or new construction costs (see below) and any associated elevation changes and demolition. The eligible costs listed below are intended to be site and property specific except for #5, where a private road or bridge off-site may be necessary to access a primary residence. Work to clear the site, design and permit the replacement home or affordable housing, build the home or affordable housing, and implement building and site measures to reduce risk to natural hazards and the other costs listed above are eligible. Eligible expenses include:

1. Direct costs of repairs or reconstruction of a damaged or destroyed primary residence or affordable housing, including costs to rebuild to an advanced fire or other natural hazard mitigation standard;
2. Architectural, engineering, permitting, or other soft costs/fees associated with repairing or rebuilding a primary residence or affordable housing;
3. Soil sampling and air quality monitoring;
4. Clearance and demolition costs, including concrete and other foundation material removal and removal of hazardous materials, including asbestos;
5. Private road or bridge repair if necessary to access a primary residence or affordable housing;
6. Costs associated with using building and site design measures, including retaining walls on an individual's private property, that reduce the risk of natural hazards, including fire-resistant building materials and landscape design;
7. Costs to replant climate-ready trees and vegetation;
8. Temporary rental assistance during relocation, rebuilding, or recovery work; and
9. Other recovery costs not covered by other sources will increase resilience to future disasters.

Eligibility of permitting fees and use taxes

Yes, the rebuilding cost calculation is inclusive of permitting fees and sales and use taxes; therefore, it is a reimbursable expense to the extent that it is included in the calculation of the underinsurance gap. These costs are still subject to the overall program's maximum grants.



Smoke and ash damage

The impacts of a fire disaster may continue downwind away from the actual area where homes and property were destroyed by any fire. Smoke and ash damage to homes outside of any burn scar can be significant and are as much a result of the fire as the damage and loss within the burn area. Repair and renovation of properties due to smoke and ash damage is an eligible expense within the geographic area designated in either the State or Federal disaster declaration. For example, with a disaster declaration for Boulder County, smoke and ash damage would be an eligible expense in Boulder County but not in neighboring counties.

Manufactured Homes

Manufactured homes (called mobile homes prior to 1967) are eligible for HRP funds. Expenses related to manufactured homes include repairs to roofing, skirting, tie-down anchors, utilities, and the structure of the manufactured home. Eligible expenses also include the replacement of a manufactured home that is not habitable due to the disaster and cannot meet current life, safety, and building codes.

Standard vs. Custom Construction.

Standard quality reconstruction or renovation work is used to develop estimates. Should a contractor estimate or a bid be developed using custom or premium furnishings or finishes, those items will be adjusted downward to mirror the price of standard quality elements in developing the projected cost of reconstruction or renovation. Any premium construction will be at the homeowner’s expense; however, fire and wind mitigation costs are considered legitimate rebuilding costs and are not considered ‘custom or premium’ construction for the purposes of estimating rebuilding costs. For example:

<u>Item</u>	<u>Standard</u>	<u>Custom or Premium</u>
Flooring	Carpet, vinyl, laminate	Vinyl planks or tiles, hardwood
Countertops	Formica	Granite or Quartz
Cabinets	Economy grade	Premium or custom grade
Windows	Standard sizes	Custom sizes
Appliances	Standard grade	Commercial grade
Siding	Program supports stucco, brick, stone, etc. in all cases	

APPLICATION REVIEW, AWARD

Application

The Housing Recovery Program **long form** (for housing recovery and reconstruction statewide) and **short form** (for Community Foundation of Boulder County) applications are available and can be found at: <https://cedproject.org/rebuild/>.

Documents needed to apply for HRP funding

A [comprehensive list of required background documents](#) to apply for funds has been developed. To get started, you may begin by compiling the following:

- Government-issued identification, proof of ownership of the property - current and



back to the date of the state-declared disaster (e.g., title and/or property tax record).

- Proof of residency in the property on the date of the state-declared disaster (e.g., utility bills).
- Proof of income for adults in the home (e.g., pay stubs, bank statements showing pay deposits, social security/disability/retirement fund statements, or self-owned business account statements).
- Written verifications of employment
- Last six months of all checking accounts.
- Last two months' bank statements for savings and all other accounts.
- Home/hazard insurance claim/disbursement letter/check, and if a federally declared disaster, FEMA award/denial letter, and disbursement statement.
- SBA award/denial letter and disbursement statement, if a federally declared disaster and applicable.
- Documentation of any other loans/grants/gifts received as financial assistance for rebuilding the home.
- Documentation of rebuilding or repair cost estimates received from contractors.
- Additional documentation may be required based on your personal circumstances.

Household size determination

The State will use HUD's HOME Program guidelines in determining household size at [24 CFR 92](#). HUD guidelines state that, as a general rule, you must include "all persons living in the unit" when determining your household size.

All applicants must complete an initial property eligibility screening conducted by a local partner or a third-party administrator. Applicants impacted by the Marshall Fire will apply through the [Impact Development Fund \(IDF\) / Community Economic Defense Project \(CEDP\) Portal](#). Application and intake will be conducted with assistance from CEDP intake coordinators, who will assist homeowners in identifying and uploading the required documentation.

Complete applications will be forwarded to IDF for underwriting, award/no award determination, and loan processing if funds are awarded. Upon award, an IDF representative will finalize documentation and schedule a grant and/or traditional loan closing directly with the applicant.

Appeal a funding/no funding decision.

If a homeowner disagrees with an award/no award determination, an appeal may be filed within 30 days of that notification. To file an appeal, please provide the determination letter, a narrative describing in detail the reason for requesting a review, and any new information or supporting documentation (e.g., cost escalations, additional eligible improvements, adjustments to insurance proceeds, etc.) that was not available at the time of the initial application. An appeal can be made to IDF at Recovery@impactdf.org.



Contact Information

You can connect with a call center representative by calling or texting 303-532-2785 Monday through Friday 8:30 a.m. - 5:00 p.m. MST or emailing: rebuild@cedproject.org. Individuals can also chat with a call center representative during business hours by using the chat function located at the bottom right corner of the application page [here](#).

Frequently Asked Questions

Household Income

How will major income changes due to the fire be considered?

Household income is based on the date at the time of application and not at the time of the disaster. This will allow for major income changes to be accounted for.

Are award funds going to need an IRS 1099?

No. A Form 1099-MISC reporting the payment would be required if the payment constituted income to the recipient. In this case, because the payment is not income, no Form 1099-MISC or other information return must be filed with the IRS or furnished to the recipient. However, if reporting a loss to the IRS, these funds would reduce that loss. Consult a tax professional for your individual situation.

Will the insurance funds that households received be counted as income?

No, insurance funds will not count toward your household income. However, they will be included in any duplication of benefits (DOB) calculation related to the resources you have for your rebuilding effort.

What is considered in "duplication of benefits" (DOB)?

A DOB occurs if an individual, business, or government entity receives assistance for a specific purpose from multiple sources that exceed the need for that particular purpose. For example, if a homeowner needs \$50,000 to repair their home and they receive \$10,000 from insurance and \$25,000 from FEMA, the maximum amount of money they can receive from another source for home repairs is \$15,000. The funds also must be spent on its intended purpose. In this case, repairing or rebuilding the home.

Construction

How is the construction cost estimated?

The estimated cost of reconstruction is developed using estimating software (e2Value), and then additional costs that estimating software does not include (e.g., concrete flatwork, landscaping) are added to that estimated cost. The last step is that an additional 15% of the total estimated construction cost is added in order to account for the unique rebuilding environment in Colorado. For example:

- Estimated construction cost with estimating software	\$ 750,000
- Additional costs not included in estimating software	<u>\$ 100,000</u>
- Subtotal reconstruction cost	\$ 850,000



- Add 15% for unique rebuilding environment \$ 127,500
- **Total Estimated Reconstruction Cost** **\$977,500**

Can I rebuild in a floodplain?

Yes, however, it is mandatory to elevate the structure or floodproof all work within the 500-year floodplain (or 0.2% annual chance) to the higher of the 500-year floodplain elevation or 3 feet above the 100-year floodplain elevation (as per FEMA floodproofing standards at 44 CFR 60.3(c)(2)-(3) or a successor standard).

Can I change the footprint of my home if I receive CDBG-DR Funds?

For rehabilitation and reconstruction costs, grantees may only charge costs for activities completed substantially within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area; Exceptions may be made on a case-by-case basis if the size increase is required to meet current code or to provide accessibility accommodations for elderly or disabled residents.

Small Business Administration

If I have Small Business Administration (SBA) assistance, can I still apply for housing assistance?

Yes. Homeowners who have SBA assistance **may still apply** for funding through the Housing Recovery Program, especially if the household income is under 150% of the Area Median Income. Households that are under 150% of the Area Median Income that are eligible for the grant should apply.

How does the grant affect my SBA loan?

If receipt of this award causes your overall gap to be less than your SBA loan, you may need to reduce a portion of your SBA loan. SBA loans are subject to federal requirements for disaster assistance, which prohibits them from providing assistance that exceeds the funds needed for rebuilding. If your gap is still greater than your SBA loan (typically capped at \$200,000 for rebuilding), then there is no need to adjust the loan.

Can I receive a traditional loan if I have already been approved for an SBA loan??

Households above 150% AMI who already have an approved SBA loan are not eligible at this time. Due to limited funds, you cannot cancel your approved SBA loan in order to apply for the State's traditional loan program. Exceptions may be made on a case-by-case basis if the loan was approved, subsequently canceled, and they are unable to get their loan reinstated by the SBA.

If the household income is under 150% of the Area Median Income with an approved SBA loan, the household may still be eligible for an additional traditional loan, provided there is still an outstanding gap in their rebuilding resources.



Homeowner Rehabilitation and Reconstruction Program

The Homeowner Rehabilitation and Reconstruction Program will provide assistance in the form of grants to eligible homeowners who experienced damage to their homes from the Marshall Fire and Straight Line Winds event and have remaining recovery needs after accounting for other duplicative benefits received.

Eligible Expenses and Estimated Rebuilding needs:

Estimated rebuilding needs will be determined by a third party utilizing estimating software assuming standard construction and based on the square footage and room configuration of the home. Costs covered will include any architectural or permitting costs. The award will be based on standard construction. Eligible costs include:

- Repair,
- Reconstruction,
- Rehabilitation,
- Replacement costs, the
- Replacing on-site residential infrastructure,
- Complying with green building standards,
- Ensuring that homes are accessible for individuals living with disabilities and senior residents,
- Elevation,
- Fire hardening,
- Other program-required mitigation costs that will help protect homes from natural hazards faced in the fire-impacted communities

Maximum Assistance?

The maximum award per unit is currently \$100,000.

What is the maximum award for homeowner rehabilitation or reconstruction?

The maximum grant /forgivable loan award is \$100,000 per unit.

Small Rental Property Rehabilitation Program

Funds will be available for landlords once the federal sources of funding (CDBG and CDBG-DR) are available. These funds should be available in the second quarter of 2023. As these are federal dollars meant to provide affordable housing, there will be a five-year period of affordability required for any units reconstructed or renovated with these funds.

Who is eligible to receive funding for rental rehabilitation or reconstruction?

To be eligible, landlords and their rental property must meet the following criteria:

- The damaged property must have sustained damages as a result of one of the eligible declared disasters.



- Property owners must have been the owner of record of the damaged or destroyed property on the date of the disaster declaration and at the time of application.
- The property owner or group of owners must have been a resident or jurisdiction-based business or nonprofit organization authorized to operate in the State on the disaster declaration date. Property owners do not have to reside in the State at the time of application to be eligible.
- Properties must have sustained disaster damage of at least \$10,000 as verified by a visual inspection or a 3rd party verification, including FEMA, Insurance, USDA, or County estimates.
- The damaged property must be an eligible structure as defined in the program guidelines, including, but not limited to, single-family residences, duplexes, and other residential buildings consisting of 4 units or less, modular, manufactured (aka mobile) homes, or townhomes.
- The property must be utilized as a long-term rental. Short-term rentals (Airbnb, Vrbo, etc.) are not eligible.

What is the maximum award for rental rehabilitation or reconstruction?

The maximum grant/forgivable loan award is \$100,000 per unit.

Is there an affordability period required?

Yes. All rental units that receive funds must be rented to a low- moderate-income individual or family. Units must be affordable and available to renters earning 80 percent of the AMI or less for a period of five years from the certificate of occupancy for the renovated or reconstructed units.

Mitigation Funding- Home Hardening

Fire and wind mitigation costs are additional costs meant to reduce future risk. Examples include fire and ember proof venting, steel fencing within 5' of the structure, home sprinkler systems, and tie-downs for mobile homes.

How are home hardening mitigation costs covered by the grant?

Mitigation costs are considered legitimate rebuilding costs and not considered 'premium' construction for the purposes of estimating rebuilding costs. This can potentially increase the award amount that households are eligible to receive. However, Program grant and loan maximums will remain in place.

A limited amount of funding will also be available through the CDBG-DR Wind and Wildfire Housing Protection Program. Those funds will be available in the second quarter of 2023 and will be limited to households at 120% of the Area Median Income or less.

What activities are eligible for the Wind & Wildfire Housing Mitigation Program?

This program's eligible expenses include engineering fees, labor, and materials to properly install tie-downs to stabilize manufactured homes. Other eligible expenses include qualifying



home-hardening improvements for single family homes that make a home more resistant to damage from a wildfire. Improvements include, but are not limited to:

- using materials for siding and/or roofing that resist ignition during a wildfire;
- installing fire resistant windows to protect openings;
- using attic ventilation devices that help reduce ember intrusion; and
- wind mitigation which impacted hundreds of homes in the area.

Who is eligible for the Wind & Wildfire Housing Mitigation Program?

- Properties improved must be within Boulder County.
- Local governments or nonprofits can apply to manage a home hardening program for households up to 120% of AMI.
- Mobile Home Park Associations, Resident-Owned Communities, homeowner associations, and co-ops may apply on behalf of their residents.

Mitigation Funding- Infrastructure

What activities are eligible for the Infrastructure Program?

Eligible expenses include:

- Local match for Hazard Mitigation Grant Program (HMGP) projects and full or partial funding of mitigation projects on the local government's mitigation project list.
- o incorporate resilient measures on Public Assistance (PA) projects from DR 4634 that do not have adequate funding for mitigation measures.
- Infrastructure projects contributing to risk reductions and the overall recovery of the community, including large-scale hazard mitigation and resiliency projects and other infrastructure to protect communities from hazards.

Who is eligible for the Infrastructure Program?

- Boulder County
- City of Louisville
- Town of Superior
- A combination of the above can apply as part of a county and/or municipality-wide initiative.

Mitigation Funding- Planning and Capacity Building

What activities are eligible for the Planning and Capacity Building?

Eligible planning activities include:

- Development, adoption and implementation of:
 - Hazard mitigation plans,



- Wildfire risk assessments; and
- Land use plans that integrate hazard mitigation
- Strategies and action programs to implement plans, including the development of codes, ordinances and regulations that address mitigation objectives.
- Creation of a multi-jurisdictional comprehensive wildfire plan that takes into account land use codes, open space policies, identified future climate risks, and other relevant topics.
- Creation or expansion of local locally-funded resilience or hazard mitigation programs that directly address risks from future disasters.
- Other plans and studies such as: individual project plans including engineering and design costs related to a specific mitigation activity, reasonable costs of general environmental studies or risk assessments and mitigation-oriented planning related to properties with known or suspected natural hazard vulnerability.
- Feasibility studies that evaluate existing resiliency criteria or practices in place locally, develop recommendations to integrate mitigation practices into budgeting, funding (i.e., annual budgets, risk management, capital improvement programs).

Eligible education activities include:

- Develop, plan and implement community programs that:
 - Provide technical assistance, training, and documentation about reducing risk and disaster preparedness
 - Educate residents on fire- and drought-resistant landscaping and provide templates for safe and resilient landscaping
 - Provide individual wildfire (as well as other applicable hazards) home assessments and customized reports that identify the weak links in a home's defenses.
- Public Service activities focused on education and outreach campaigns designed to alert communities and beneficiaries to opportunities to further mitigate identified risks through insurance, best practices, and other strategies.

Eligible capacity building activities will enable the recipient to:

- Determine its mitigation needs
- Set long-term goals and short-term objectives for community mitigation and resilience
- Devise programs and activities to meet the above goals and objectives
- Evaluate the progress of such programs and activities in accomplishing these goals and objectives
- Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans

Who is eligible for the Planning and Capacity Building?

These funds can be used by Boulder County, its municipalities, a coalition of the three



jurisdictions, or other eligible applicants to enlist consulting support necessary to successfully implement the above eligible activities. Alternatively, interested communities have the option to work with a consulting team that may be retained to work with applicants to develop and implement a locally or regionally driven process.

CDBG-DR Federal Requirements

Davis Bacon

All projects with eight or more units will be required to comply with Davis Bacon labor standards. Any infrastructure in support of housing will be required to comply regardless of the number of units.

CDBG-DR Insurance Requirements

Federal regulations require FEMA National Flood Insurance for all federally funded projects located within a Specific Flood Hazard Area-100-year floodplain. Insurance will be obtained before work begins and must be maintained at a minimum throughout the remaining project and closeout. [click here](#)

Procurement

Subrecipients shall follow the federal procurement requirements detailed in the 2022 CDBG-DR Policies and Procedures Manual for CDBG-DR projects and in 2 CFR Part 200. Any procurement conducted by the subrecipient must comply with Colorado's [CDBG-DR procurement policy](#).

Any construction contracts procured through awarded projects must comply with the Bonding Requirements noted in the Procurement Policy in [Colorado's CDBG-DR certifications and policies](#).

All CDBG-DR funded projects must be cost reasonable. DOLA will determine project cost reasonableness through the application process, review, and selection processes and may obtain third-party verification on a case-by-case basis. As such, application budgets must be thorough and accurate for evaluation.

2 CFR Part 200: 2.17 Section 3

All projects receiving more than \$200,000 in HUD assistance at a project site are required to comply with the "new" Section 3 rule, as detailed in [24 CFR Part 75](#). This includes the tracking of all labor hours on the project sites, including projects not subject to Davis Bacon, to demonstrate compliance. See DOLA's Section 3 [click here](#) for guidance for more information.

Uniform Relocation Act & Section 104(d)

All projects are required to follow the Uniform Relocation Act (URA) and Section 104(d) as applicable to project activities when acquiring real property. Monitoring will include compliance with these acts.

CDBG-DR Project Monitoring

Upon the expenditure of at least 50% of the CDBG-DR award by a subrecipient, DOLA will schedule a full monitoring of the project. The program manager will email the subrecipient and grant administrator to schedule the visit. Monitoring visit information and forms will be made available. The program manager will instruct grant administrators to provide any



additional information identified as needed during a monitoring visit.

After the monitoring, a visit report will be sent to both the subrecipient and the grant administrator.

DOLA reserves the right to monitor the project at any point in time based on its assessment of project risk or other considerations.

Applicants and sub recipients shall be provided adequate and timely information to enable them to be meaningfully involved in important decisions at various stages of the program, including at least:

- A. The determination of needs
- B. The review of proposed activities
- C. The review of program performance

What, if any, requirements are there for the use of the CDBG-DR funds?

- 70% of housing rehab and reconstruction dollars will be limited to LMI applicants (the other 30% can serve those up to 120% of AMI).
- 100% of the Wind and Wildfire mitigation program will go toward LMI households.
- 30% of the Local Government Mitigation Assistance must go to projects that meet LMI area benefit.