
2019 CDBG-DR MULTI-FAMILY REHAB PROGRAM GUIDELINES

Oklahoma Department of Commerce



DECEMBER 28, 2021

OKLAHOMA DEPARTMENT OF COMMERCE
900 N Stiles Avenue, Oklahoma City, OK 73104

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Introduction

Accessibility Statement from the Oklahoma Department of Commerce

The Oklahoma Department of Commerce is committed to making its electronic and information technologies accessible to individuals with disabilities in accordance with both Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as well as Oklahoma's Oklahoma Electronic and Information Technology Accessibility law, or EITA.

Oklahoma works to make its government more transparent, available, and useful. Making State technology resources accessible to people with disabilities helps the State to meet its goal of creating a more transparent government. Complete information can be found at <https://www.ok.gov/accessibility/>.

Commerce posts many documents to our websites in Adobe PDF format to provide enhanced document features and preserve design. The ability to open PDF documents is built into most popular web browsers and Adobe Reader is provided for free by Adobe at adobe.com. Commerce posts PDFs in text format so that documents can be read by screen readers.

Commerce posts some documents to our websites in Microsoft Office formats including Word, Excel, and PowerPoint format. Microsoft provides viewer applications for these formats for free on their website at microsoft.com.

Disaster Recovery Website

ODOC/CD maintains a website specifically for the 2019 CDBG-DR program. Please visit: <https://www.okcommerce.gov/reporting-compliance/cdbg-disaster-recovery-2019/> and check back often because the website is frequently updated.

- Notifications for Public Hearings will be published in English and Spanish.
- Read the 2019 CDBG-DR Action Plan, Citizen Participation Plan, Quarterly Reporting, and more.
- The website can easily be translated by clicking the “Translate This Page” button at the top of the screen.

If you need assistance with the website, or encounter any technical difficulties with the website, please contact Susan Riley (susan.riley@okcommerce.gov).

Staff Contacts for Questions, Comments, or Assistance

Please contact either Jade Shain or Taylor Huizenga if you have any questions, comments, or if in need of assistance for disability accommodations, translation, or interpretation services.

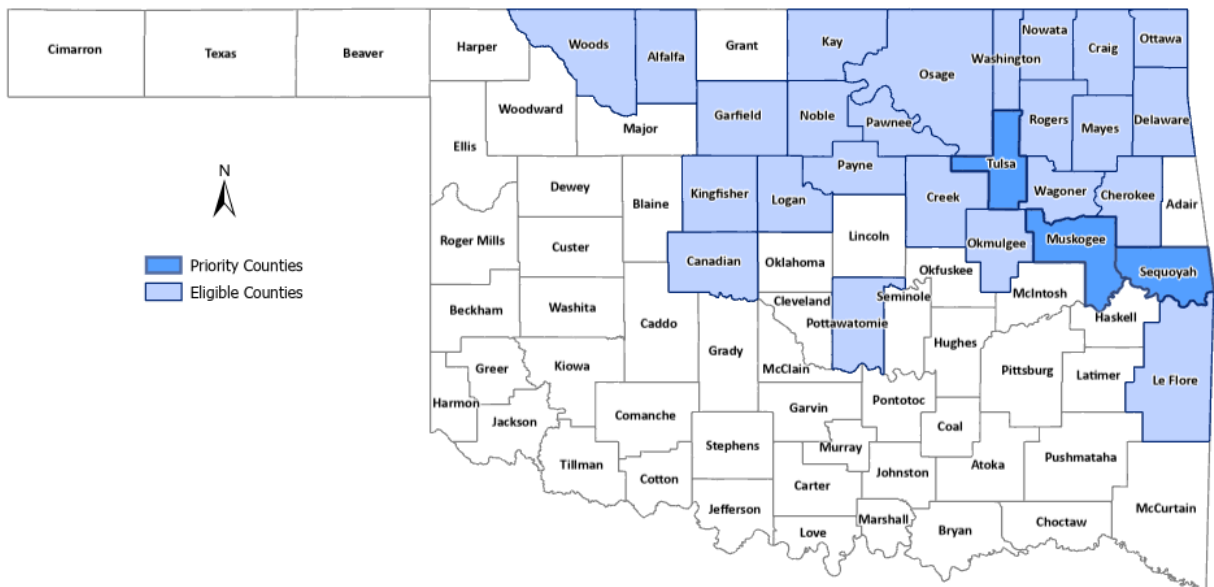
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Background to the 2019 CDBG-DR Grant Program

Oklahoma experienced severe storms from May 7, 2019 through June 9, 2019. These storms brought straight-line winds, tornadoes, and significant flooding to several communities throughout the

state.

Due to the extensive damage to housing and infrastructure from these storm events, an allocation notice was issued by the United States Department of Housing and Urban Development (HUD) in Federal Register Notice Vol. 85, No. 17, Page 4681 Public Law 116-20. This Federal Register Notice states that Oklahoma is eligible to receive an allocation of \$36,353,000 in disaster recovery funds for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et. Seq.) to address long-term recovery needs, particularly in the area of housing recovery that focuses on low and moderate-income beneficiaries. Per the Federal Register Notice, the only areas in which the funds can be expended are Presidentially Declared Disaster areas as a result of the incident period (May 7, 2019 to June 9, 2019) as defined by the applicable Disaster Declaration 4438. Within these eligible areas, the Federal Register Notice requires that a minimum of \$29,082,000, or 80% of the total State's \$36,353,000 CDBG-DR funding allocation, must be expended on CDBG eligible disaster related activities in Muskogee, Tulsa, and Sequoyah counties (see map below).



The remaining funding (20% of the total allocation) will be available for CDBG eligible disaster related activities in eligible counties as defined by Disaster Declaration 4438. Applicants from Alfalfa, Canadian, Cherokee, Craig, Creek, Delaware, Garfield, Kay, Kingfisher, Le Flore, Logan, Mayes, Noble, Nowata, Okmulgee, Osage, Ottawa, Pawnee, Payne, Pottawatomie, Rogers, Wagoner, Washington, and Woods are also eligible to submit applications related to the aforementioned disaster.

1.0 PROPERTY OWNER ELIGIBILITY

1.1 Multi-Family Rental Property Eligibility

To be eligible for funding from the Multi-Family Rental Property Program, properties must meet all of the following criteria:

- Properties containing at least two (2) dwelling units prior to the DR-4438 disaster (ending June 9, 2019). A dwelling unit is defined as having complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- Be located in either the HUD declared MIDs or the State declared MIDs. See CDBG-DR 2019 Action Plan for specific information on areas and allocations.
- Properties that sustained storm damage of at least \$5,000 as verified by a visual inspection or a 3rd party verification, including FEMA, Insurance, USDA or County estimates.
- Properties must have access to water, sewer, and electricity.
- Must be the owner(s) of record of the property at the time of application.

Further, property owners with ownership of a property prior to the storms receive an absolute preference over new investors who have purchased property since the storms.

Pre-storm owner(s) were the owner(s) of record of the property on May 7, 2019. Properties with multiple owners, where a member of the pre-storm ownership group has sold his/her interest to the other partners are eligible to compete as a pre-storm ownership group.

New Investor(s) are the owner(s) of record at the time of

application and were not the owner(s) of record on May 7, 2019.

Special Circumstances related to type of ownership:

- Rent to own: Not eligible
- Bond for deed: Not eligible
- Lease to own: Not eligible
- Usufruct: Case by case basis to be determined by the program. Usufruct cases should be encouraged to apply for the Multi-family rental program.

Expanded Funding Options

Self-Certification of property as rental pre-storm: Program Application Elements Requiring Self-Certification

There are no reliable systemic methods for the program to conclusively validate 100% of applications on certain eligibility criteria, such as rental property status, at the time of the storm or vacancy at the time of application. The program should rely on self-reported information as self-certified on the application, under penalty of perjury. If, during the course of processing a file, it becomes evident that eligibility criteria may not have been accurate or comes into question, the file should be submitted first to ODOC, who may report the issue to HUD's Office of Inspector General for Fraud Waste and Abuse. HUD's department will review and ultimately decide if additional documentation is required and/or fraud, waste, or abuse has occurred.

Special Considerations regarding property uses

- Properties containing mixed-uses are eligible to apply. A mixed-use property contained both commercial/office uses (groceries, corner stores, etc.) and residential uses (primary residences, rental units, etc.) prior to the storms. These rental properties will receive an award only for each affordable rental unit. Structures or spaces for commercial uses prior to the storms which will be converted to residential rental space are not eligible.
- When determining the number of units in a rental property, units identified for commercial use will not be considered in the 2-unit count, at the program's discretion. In reviewing these cases, the program will take all efforts to ensure the overall program objectives are met.

- Units used to house family members or others at no charge are eligible.
- If the persons occupying the unit are income-eligible tenants (80% of Area Median Income), the owner may receive funding for the units.
- If the persons occupying the units are not income-eligible tenants, the owner may apply to the program for other units on the property and list the unit as a market rate unit.
- Single Room Occupancy (SRO) units are not eligible. SRO units are residential properties that include multiple single room dwelling units where each unit is for occupancy by a single individual.

1.1.1 Eligible Structure Types

The following section defines eligible and ineligible types of dwelling units that could have been located on the property prior to the storms or will be used in the reconstruction efforts.

- Modular constructed housing is an eligible structure type.
- Modular homes are built in sections at a factory, transported to the building site on truck beds, and then joined together by local contractors. Modular homes are built to conform to all state, local or regional building codes at their destinations.
- A manufactured home (also known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and has a vehicle identification number (VIN) and/or a still undercarriage.
- Manufactured homes, RVs, and houseboats are not eligible structure types.

1.2 Owner Eligibility

To be eligible to apply for the Multi-Family Program as a rental property owner, 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 May 7, 2019 or after. Property owners do not have to reside in the State at the time of application to be eligible.

1.2.2 Ownership Type

An owner occupant is a property owner or group of owners that meet the following criteria:

- At least one property owner(s) must have owned and occupied one unit of a two or more unit property as their primary residence on or before May 7, 2019.
- At least one property owner(s) must re-occupy the subject property within 3 years of the date of closing on the compensation award. During this three year time period, the owner will not be able to use their owner-occupied unit as a rental unit.

Owner Occupants must be the owner(s) of record of the property at the time of application.

Special Circumstances related to type of ownership:

- Rent to own: Not eligible, unless the homeowner converts their contract to full ownership prior to receiving funding assistance
- Bond for deed: Not eligible, unless the homeowner converts their contract to full ownership prior to receiving funding assistance
- Lease to own: Not eligible, unless the homeowner converts their contract to full ownership prior to receiving funding assistance
- Usufruct: Case by case basis to be determined by the program. Usufruct cases should be encouraged to apply for the program.

A non-occupant owner is an owner that does not live on the property or properties that they own. Non-occupant owners will need to verify that their place of residence is none of their owned properties.

Power of attorney: Property owner(s) may grant power of attorney to someone who can apply on their behalf.

Co-ownership: All property owner information must be included on the application, all property owners must be present at closing, and all property owners must sign closing documents unless one

is granted power of attorney for the others. Co-owners (i.e. joint ownership) who reside in more than one unit on a property must submit one application to the Program, noting each owner-occupied unit on the property. Properties with multiple owners, where a member of the pre-storm ownership group has sold their interest to the other partners, are eligible to compete as Owner Occupants if all other criteria are met.

Nonprofit Organization: Nonprofit organizations which had an IRS 501(c)(3) designation and were registered to do business in the jurisdiction on or before May 7, 2019 and at the time of application may file as an Owner Occupant if all the above criteria are met.

Succession: If the property owner(s) has died since the time of the storms, an heir must have been placed into legal possession of the property to be eligible in place of the deceased owner.

Clarification on Process for Closing Succession cases

Divorce: If the property owner(s) have divorced since May 7, 2019, the terms of the divorce settlement must include a transfer of ownership of record are required to be eligible.

Incapacity or infirmity: If a property owner is incapacitated due to illness or other infirmity, someone with a legal right to bind that person legally, such as is provided by a power of attorney, are eligible to apply on behalf of the property owner.

2.0 FUNDING OPTIONS

2.1 Estimated Cost to Repair

The Estimated Cost to Repair (ECR) includes the following items or costs which could be incurred by a property owner participating in the Program.

- Site Work (Utility lines, landscaping, etc.) Demolition
- Repair / Reconstruction costs

- Elevation Costs / Lead Abatement Soft Costs:
 - Architectural/Engineering (Drawings, specifications, if applicable)
 - Financing costs (Construction interest, appraisal, origination fees)
 - Survey
 - Legal costs (Attorney Fees, Notary Fees, etc.)
 - Title Insurance
 - Building Permit
 - Other Soft Costs
 - Consultant Fee (if applicable)
- Relocation (if applicable)
- Contingency (to pay for unexpected costs - not greater than 10%)
- Other development costs

Special Considerations regarding Estimated Cost to Repair:

In mixed-use properties, the ECR is based on the costs to repair the residential space to meet the State Code without concern for the cost to repair the commercial space.

2.1.1 Calculation of Estimated Cost to Repair

Calculation of the ECR should be required before commitment letter, final inspection, and disbursement of the award to the property owner may occur. To determine this value, an applicant may either submit paid bills and/or contracts from a licensed Contractor or request an estimated cost to repair from the jurisdiction.

If Work has been completed:

- By a licensed contractor, property owner may submit paid bills or choose jurisdiction-approved estimate of cost to repair.
- By anyone other than a licensed contractor, including the property owner, the jurisdiction will determine estimated cost to repair.
- By both licensed and unlicensed contractors, owner may choose to combine methods of verification: use paid bills from licensed contractors and a jurisdiction-approved

estimate for other work.

If Work has yet to be performed

The owner may submit a copy of a formal bid (with a scope of work) from a registered or licensed contractor, professional architect, or professional engineer (even if the owner does not plan to actually hire this entity to perform the construction work) provided that the owner supplies a certification that estimated cost is a valid third party estimate. The contractor's estimate would also contain a certification that the scope is not substantially greater than what is required to return the property to service and it provides the building amenities listed in the application.

The owner may submit a scope of work and a written cost estimate from a business or individual that is not a licensed contractor (even though the owner does not plan to hire this entity to do the construction work), however, the Multi-Family program will need to send an inspector to ensure that the scope of work is not inappropriate and that cost per item is within the range of industry standards. The owner is cautioned to consult the grantee's statutes regarding the use of contractors other than licensed contractors.

The owner may request that a Multi-Family Program inspector visit the property and make an estimate of costs required to bring the building up to code and provides costs for the building amenities listed in the application.

If Work is in Progress

If the owner is in the middle of repairing the property, verifications for both the completed work and the work that is yet to be done must be provided. Any combination of the methods listed above may be used. The owner may also choose to have an inspector visit the property and make a total estimate of all costs associated with the work completed to date, work to be performed to bring up to the State Building Code and for the cost of the building amenities listed in the application.

The subrecipient should conduct a cost reasonableness Quality Assurance review on all owner supplied cost estimates to prevent fraud. This quality assurance review may include a desk review or the subrecipient's inspector's cost estimate.

2.2 Awards for Affordable Units

All units rehabilitated or reconstructed must support affordable housing in their current jurisdiction. Awards for affordable housing will be made in the form of a no interest, no payment, forgivable loan requiring property owners to maintain affordable rent levels for ten years. A forgivable loan is completely forgiven over time and may be spent at the borrower's discretion, without restriction. The loan does not require repayment if all the conditions of the loan are met. Forgiveness of the loan will occur in staged intervals, depending on the level of affordability chosen by the applicant.

Loan Forgiveness Methodology

The loan will be amortized yearly from the closing date of the loan. Note: In the forgiveness process for Non-profits they will follow the same patterns of forgiveness, but on a 20 year timeline. For those properties that have selected an extended term of affordability the forgiveness methodology will be based on the number of years selected.

To be consistent throughout the Program, forgiveness and prepayment schedules for all loans will use the closing date as a trigger date. Legal documents and procedures will be reviewed and adjusted as necessary for consistency. Subrecipient's will identify any cases which may need to have legal documents re-filed and provide information to the State. Closing dates will also be issued for all system modifications for long term monitoring and pay-off/recapture calculations.

Property owners may choose to rent units on a property at one of the three rent tiers calculated to be affordable to households at 80,

65, and 50 percent of area median income (AMI).

2.2.1 Calculation of Homeowner Compensation

An evaluation of the home will compare the total square footage of all the units on the property with the square footage of the owner's unit. This percentage is then used to determine the portion of the following inputs that apply to the homeowner's compensation award.

The owner occupant compensation is based on the lesser of the Pre-storm value (PSV), minus any insurance proceeds and FEMA payments.

No multi-family properties located within the 100-year floodplain will be eligible for this program if flood insurance was not carried by the owner.

Duplication of Benefits - Sources of duplication of benefits compensation include sources of funding assistance provided for structural damage and loss related to the disaster. The following sources are deducted from the award amount for the homeowner's unit:

- FEMA payments for structural damage
- USDA loans and/or SBA loans
- National Flood Insurance Program (NFIP) Insurance Payments
- Private insurance: All private insurance settlement amounts for loss to structures are considered in the award calculation. Private insurance payments for contents or other expenses are not considered.

Tax adjustments resulting from filings related to losses to the rental property are not considered duplication of benefits and do not affect awards.

Pre-Storm Value (PSV) – The PSV is calculated only for the owner-occupied unit on the property. Acceptable sources of PSV data are:

- A Pre-storm Appraisal provided by the owner on a voluntary basis. It must have been completed by a licensed appraiser between {enter date} and the date of the storm. It must also reflect the value of the damaged property at some point during that same time frame. Value may be appreciated or depreciated using the HUD price index.
- A Post-storm Appraisal provided by the owner on a voluntary basis. This is only used if (1) above is not provided by the owner. A post-storm appraisal is also provided by the owner and completed by a licensed appraiser. The value may not exceed 20% of the jurisdiction's appraisal (see #4 below). If the value is over 20% more than the jurisdiction's appraisal, the Rental Program will calculate PSV as 120% of the jurisdiction's appraisal.
- A Fannie Mae/Freddie Mac or FHA Estimate. If (1) and (2) above are not provided or not valid, PSV is based on a pre-storm appraisal performed by a third party, obtained by a lender or government agency, and completed since January 1, 2000. The jurisdiction uses two databases for this: Fannie Mae/Freddie Mac and FHA. As above, this value must be appreciated or depreciated. If there is more than one pre-storm appraisal available for the property from Fannie Mae/Freddie Mac or FHA, use the highest value.
- The jurisdiction's Appraisal. If (1), (2) and (3) above are not available or not valid, PSV is based on a market analysis ordered by *the* jurisdiction from a licensed appraiser.

2.2.2 Special Needs Housing Prioritization

The Multi-Family program seeks to make rental housing units available to residents with special needs (also known as vulnerable populations) by encouraging development of units intended to help tenants advance other life goals, including economic self-sufficiency. By designating units for Special Needs, the owner agrees to:

- Accept tenant referrals from other disaster recovery programs;

- Accept referrals of tenants who live in group housing funded by the Federal Emergency Management Agency and whose income is up to 50 percent of the AMI;
- Accept tenant referrals from non-profit organizations that support the needs of homeless persons, persons living with disabilities or HIV/AIDS, domestic violence survivors, persons with addictions, or persons living in transitional housing.

While the owner is not required to offer the unit to Special Needs tenants following initial occupancy, the owner is responsible for demonstrating that the unit will be affordable to the initial tenant at initial occupancy and throughout the tenant's tenure in the unit. This can be accomplished by agreeing to take Special Needs tenants with tenant-based vouchers.

Units designated for special needs or supportive housing must be rented at the 50 percent of AMI rent tier.

2.3 Scoring Criteria

The State uses scoring criteria to select which subrecipients will receive funding. Subrecipients should create scoring criteria when owners apply for multi-family assistance. Scoring is further detailed in the 2019 CDBG-DR Action Plan.

3.0 DUE DILIGENCE PROCESSES

3.1 Verification of Estimated Cost to Repair (ECR)

To validate a given ECR, the subrecipient should perform a combination of desk reviews and field evaluations, as follows, depending on the source of the documentation submitted:

- (1) Licensed Contractor, Registered Home Improvement

Contractor, or similar professional Documentation may consist of paid bills, or an accepted / proposed bid and scope of work, and similar documents, plus a certification signed by the applicant attesting to the impartiality and validity of the documentation. Rental Program will perform basic due diligence checks (address match, name match, contractor appears in the State's license database). If documentation passes these basic checks, the Estimated Cost to Repair value is accepted as-is. If documentation fails these basic checks and the fails cannot be resolved, the Program will perform a cost evaluation to generate an Estimated Cost to Repair. This is similar to a Home Evaluation in Homeowner Program.

(2) Owner-Builder, in which the owner is the same person as the licensed/registered contractor that estimated the cost.

Acceptable forms of documentation and due diligence test are the same as above. In addition, all Owner-Builders will receive a Rental program cost evaluation to validate their submitted documentation. The validation is a +/- 20% bounce test against the program's cost estimate. If the applicant's value is up to 20% higher than the program's estimate, use the applicant's value.

If the applicant's value is > 20% higher than the program's estimate, use 120% of the program's estimate. If the program's value is higher, use the applicant-provided value. If the documentation fails the due diligence test and the applicant supplied documentation is higher, use the Rental program cost evaluation to generate an Estimated Cost to Repair.

(3) Owners Undertaking Work Themselves. In this case, the owner is submitting documentation from a 3rd party, but is not licensed or registered as above. The Program must perform a cost evaluation. If Owner contests the estimate, s/he may submit valid bills for materials, while labor costs will be estimated by the Program using industry standards. The owner's labor cost will be estimated using the standard pay rate of skilled labor.

If the original evaluation was inaccurate, the Program may correct the evaluation or order a re- evaluation, as per Home Evaluations protocol. If the evaluation protocol itself constrains the ECR cost

rollup, the Program will accept the owner-provided documentation of value, up to 120% of the RH estimate.

(4) Combination of Above

If the owner used a combination of (1), (2), and (3) above, the Program must perform a cost evaluation. The property owner may also submit some documentation for work completed, which will require a mix of the verification procedures above.

(5) Cost Estimate

The owner may also simply choose to have the Subrecipient order an evaluation without submitting any of the above documentation.

3.2 Uniform Relocation Act

Prior to receiving a payment, property owners may be required to complete repairs or reconstruction of their rental property. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for Federal or federally funded projects. This law was enacted by Congress to ensure that people whose real property is acquired or move as a direct result of projects receiving Federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.

Each applicant must provide information on current occupants of their property on their application. In addition, properties which have been occupied since June 9, 2019 by any person besides an owner(s) of the property should be required to provide a General Information Notice to each head of household. The Notice details preliminary information pertaining to the property owner's application for assistance, the potential for either temporary or permanent displacement, and contact information for the Program. Each property owner is responsible to maintain documentation that the tenant received the General Information Notice. This is either a copy of the Certified Mail, Return Receipt

Requested Card with the tenant's signature or a copy of Acknowledgment of Receipt of General Information Notice if the Notice was hand-delivered to the tenant.

An Individual Relocation Plan must be written for each project. The plan must describe the nature of the temporary or permanent displacement and establish the assistance to be provided.

3.2.1 Temporary Relocation

A household or an individual that is moved temporarily from any unit on a property due to the award under the Multi-Family program but is offered the right to return to the property (although not necessarily the same unit on the property) is considered temporarily relocated. The Subrecipient will issue a Notice of Non-displacement, a Notice of Temporary Relocation, and a Move Notice once alternative housing has been secured and at least 10 days prior to the scheduled move.

All property owners with tenants being temporarily relocated by the Multi-Family program are required to enter into a lease agreement with the tenants prior to relocation and document the income of the tenant. The lease must state the tenants will be allowed to re-occupy a unit on the property. The Multi-Family program will not grant an award to the owner until the relocated tenant returns to the rental unit.

If the tenant is refused re-occupancy by the owner, the tenant is considered permanently displaced. If the State determines that a permanent displacement is the result of a property owner's actions, the owner may be liable for all or a portion of these costs, which will be deducted from the subrecipient's award and/or be returned to the State.

Tenants that are temporarily relocated may be offered the following types of assistance:

Packing and Moving Assistance: It is the obligation of the Program

to ensure that all households have their belongings and household goods moved, at no cost to them, by either providing packing boxes and tape, or professional moving services. If professional moving services are used, the tenant will be provided direct payment or reimbursement for the costs of the moving assistance. Incidental Costs: Incidental costs include utility deposits for water, sewer, gas, and electricity, if required, at the temporary housing, and telephone installation at the temporary housing and the newly rehabilitated unit on the property if the household previously had a telephone. If the newly rehabilitated unit has resident-purchased rather than landlord furnished utilities, which require utility deposits, the Program will not pay for the new utility deposits since they are required to be paid by any new resident moving into a unit.

For households that are temporarily relocated, the Program will provide direct payment or reimbursement for all disconnection/reconnection of necessary utilities and other incidental expenses. For households that are temporarily relocated, the tenant will be provided direct payment or reimbursement after the tenant provides documentation of utility and/or incidental costs.

Temporary Housing: The State will ensure that temporary housing provided to families or individuals is decent, safe, and sanitary and is provided on a nondiscriminatory basis. Temporary housing shall not be used for longer than one year. If a relocated tenant is unable to return to the property within a one year period, the tenant is considered permanently displaced. If the State determines that a permanent displacement is the result of a property owner's actions, the owner may be liable for all or a portion of these costs, which will be deducted from their final incentive award.

For households that are temporarily relocated, the Program will provide direct payment or reimbursement for the cost of temporary housing for up to one year.

3.2.2 Involuntary Permanent Move Assistance

A household or an individual that is permanently and involuntarily moved from a project due to the award under the Multi-Family program and is not offered the right to return to a unit on the property, is considered displaced.

The Program will not require any household or individual to move unless at least one (where possible, three or more) comparable replacement dwelling unit(s), as defined in 49 CFR 24.2(d), is/are made available. No household will be required to move prior to the provision of a 90 day notice, and when appropriate if longer, 30 day notice closer to the actual move date, as required. (Refer to 49 CFR 24.204). Each affected household will receive a 90 or 30 Day Move Notice.

Tenants that are permanently displaced may be offered the following types of assistance:

Permanent and Involuntary Move Assistance: The Program will provide payment for moving and related expenses to each affected household. The displaced household has the choice of taking a fixed payment, incurring the cost of a commercial mover, or reimbursement of actual expenses.

If the household wishes to be reimbursed for actual and reasonable moving and incidental costs, these may include:

- Transportation of the displaced household and personal property up to 50 miles, including the current mileage rate for personally owned vehicles.
- Packing, crating, unpacking, and uncrating of personal property
- Storage of personal property for a period not to exceed 12 months.
- Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
- Insurance for the replacement value of property in

connection with the move and necessary storage.

- The replacement value of property lost, stolen, or damaged in the process of moving (through no fault or negligence of the household) where insurance covering such loss, theft or damages is not reasonably available.
- Credit checks
- Professional home inspection
- Utility hook ups, including reinstallation of telephone and cable service.
- Other costs determined reasonable by the State

If the household chooses to be paid directly, they will be eligible to receive the applicable and current fixed moving expense and dislocation allowance required at 49 CFR 24.302. This schedule is based on the number of rooms of furniture to be moved, and has been established by the Department of Transportation, Federal Highway Administration. In the event the household does not own furniture, the fixed payment will be \$375 for one room, and \$60 for each additional non-furnished room will be provided.

1-room Unit \$500	2-room Unit \$700	3-room Unit \$900
4-room Unit	5-room Unit \$1,300	6-room Unit \$1,500
7-room Unit	8-room Unit \$1,300	Each Additional

Replacement Housing Payment: In addition to moving assistance, households that are permanently and involuntarily displaced are entitled to a Replacement Housing Payment (RHP). This payment is intended to cover any increase in monthly housing costs for a 42-month period. When calculating the RHP, the Program will use the rent from the Comparable Replacement Housing unit offered to the household as the basis for establishing the upper limit of assistance when determining the difference in increased monthly housing cost. Since assistance will be based on this formula, an affected household may choose to occupy a housing unit renting higher than the comparable replacement unit provided and may not be compensated dollar for dollar in actual increased housing cost.

Special Considerations Regarding Permanent Relocation Costs:

At any point prior to final disbursement, if a tenant qualifies for relocation assistance, and a move-in notice was not signed by the tenant prior to the move-in, the Multi-Family Program will deduct the relocation costs from the owner's incentive award and allow the owner to continue with the application for all restricted units included on the application.

3.2.3 Relocation Appeals and Complaints

Tenants may consult with a Relocation Specialist to resolve their complaint within 10 business days. If resolved, the Subrecipient sends resolution determination in writing to tenant via first-class mail, or if unable to reach resolution with the Tenant, advises Tenant in writing, by first-class mail, of the right to appeal and provides a copy of the Description of Tenant Appeals Process.

Tenants may appeal a decision related to:

Qualify for benefits as a displaced person, or will qualify upon moving, and the Program has determined they do not meet the requirements as a "displaced person."

- Are entitled to a greater amount of relocation payments than Program has approved. However, the person's acceptance of the approved amount does not prohibit the appeal from going forward.
- Did not receive appropriate referrals to suitable temporary or comparable permanent replacement units or The Program did not inspect either the temporary or permanent replacement unit in a timely manner.
- Are being unjustly denied a claim for relocation benefits because they failed to secure decent, safe, and sanitary housing within one year or file a claim within 18 months after being permanently displaced.

A tenant may file an appeal to HUD, which will arrange for prompt hearing by staff and make a written determination with an explanation of the basis for the determination.

3.3 Environmental Review

It is required that all approved subrecipients for the Multi-family Housing Rehabilitation Program follow all CDBG environmental regulations prior to receiving a release of funds. Additional information on CDBG environmental regulations can be found in the 24 CFR Part 58. For more information, refer to the Policies and Procedures (PnP) Manual supplied by the Oklahoma Department of Commerce.

4.0 CLOSING REQUIREMENTS

4.1 Final Inspection

Upon completion of repairs to the affordable units, the Multi-Family program must conduct a final inspection to ensure that the affordable units meet the program requirements in the units.

Property owners that do not pass the final inspection, are given a period of time to bring the units into compliance. At the end of the allotted period or when the owner notifies the program that the necessary adjustments have been made, the Multi-Family program will conduct a second final inspection. If the property owner does not pass the second inspection, the property owner may make the necessary repairs and a third inspection will be granted. For any subsequent inspection after three final inspections, the inspection fees may be required to be returned to the subrecipient.

All owners must continue to provide a unit that meets the applicable code requirements and pass all maintenance requirements in order to receive their award.

4.2 Affordable Rent Levels

All rental units must be rented to a low- to moderate- income individual or family. Rent levels were calculated to be affordable to households at 80, 65, and 50 percent of area median income (AMI). Restricted rents in the program will be adjusted upward annually with the publication of new AMI tables by the Federal government. The amount of rent charged to the tenant cannot exceed the amount established by the Rental program for that rent tier. Rents charged to the tenant may be calculated in one of two ways:

4.2.1 Utility Allowances

If the property owner pays all the utilities for the rental unit, the property owner may charge the tenant the fair-market value rent listed for the applicable county and bedroom size of the apartment on HUDs website: https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/select_Geography.odn

If the tenant is required to pay utilities for the unit, the property owner must deduct a utility allowance from the FMV rent. Acceptable utility allowances include Section 8 utility allowances published by local or state Housing Authorities, amounts certified by utility companies providing service to the unit, or an allowance developed by the subrecipient. An example utility allowance chart developed by the program is shown below:

	0 BR	1 BR	2 BR	3 BR	4 BR
Jurisdiction A	\$50	\$75	\$85	\$100	\$125
Jurisdiction	\$50	\$50	\$60	\$70	\$80

4.3 Tenant Selection

Property owners will screen and select their own tenants. Tenant selection must comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on

race, color, religion, sex, national origin, familial status, and disability.

4.3.1 Tenant Race and Ethnicity Reporting

In accordance with the U.S. Department of Housing and Urban Development's criteria for race and ethnicity reporting, the Multi-Family program will provide a Tenant Race and Ethnicity Reporting form to all active applicants to the Multi-Family program. The applicant will be required to provide the form to all existing and new tenants for the assisted rental units throughout the term of the loan.

Tenant Race and Ethnicity forms that are returned to the program will be documented in the applicant's file. Any Tenant Race and Ethnicity forms that are not returned to the program, are returned with no selected race and/or ethnicity, and/or, are returned with a checkbox for the "I choose not to provide this information" will be documented as a no response to the Race and Ethnicity categories.

4.4 Bankruptcy, Liens and Judgments

Bankruptcy: Any property included in an open bankruptcy will not receive a loan and will not be processed further once identified. The program will de-obligate the award amount from the property.

Liens and Judgments: Applicants with outstanding liens and judgments must clear the liens and judgments in order to receive an award. First and second mortgages, however, are acceptable outstanding liens that will not prohibit a property owner from receiving an award.

4.5 Insurance Requirements

The borrower must agree to maintain casualty insurance and flood insurance, if property is located within a FEMA designated Special

Flood Hazard area. The subrecipient will collect proof of flood insurance if applicable.

Appendix

Version History

Version Number	Date	Notes	Page(s)
1	09-01-2021	Submitted to HUD.	Cover – 20
2	10-18-2021	Environmental Review Section requested by HUD	18
3	12-28-2021 JDS	<p>Significant changes were made to this document per the requirements of the Oklahoma Department of Commerce’s Style Guide. For example, Headings and Subheadings are now using Arial instead of Times New Roman. The typeface used in the body text is now Google’s Montserrat instead of Times New Roman. All colors in the Headings and Subheadings were chosen from the Style Guide. The following Colors are used in this document.</p> <p>a. Heading 1 = HEX #464646</p> <p>b. Heading 2 = HEX #0066A6</p> <p>c. Heading 3 = HEX #000000</p> <p>d. Body/Normal = HEX #000000</p>	Every page