
2019 CDBG-DR REIMBURSEMENT 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 Bryan Boone (bryan.boone@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.

<p>Jade Shain Programs Planner Community Development (CDBG-DR) Oklahoma Department of Commerce jade.shain@okcommerce.gov</p> 	<p>Taylor Huizenga Programs Representative Community Development (CDBG-DR) Oklahoma Department of Commerce taylor.huizenga@okcommerce.gov</p> 
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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. Potential subrecipients 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.

Though the State has a limited understanding about the unmet need for the homeowner reimbursement program, its existence was determined necessary based on the following factors:

- 1) First, the HUD memorandum on Oklahoma allocations (dated December 3, 2019 and included in the Appendix) describes the initial understanding of the storms' impact on the State. This memorandum describes the possibility of some homeowners needing SBA loans to recover from the disaster.
- 2) CDBG-DR Staff went to Moffett in April of 2021 to speak with residents about the disaster recovery program. In that meeting with residents, several people mentioned that they had SBA loans they had used for repairing their homes and they wanted to learn more about the reimbursement program. SBA data is not available at this time.
- 3) CDBG-DR Staff attended an Emergency Manager's meeting in Sequoyah County on October 8, 2021, and learned that there were several cases of people using subsidized loans across the DR-4438 eligible counties.

PROGRAM GUIDELINES

Purpose

The purpose of the State of Oklahoma's Community Development Block Grant Disaster Recovery (CDBG-DR) reimbursement program is to assist property owners who took out subsidized loans to make repairs after the DR-4438 FEMA

declared disaster. Eligible applicants, referred to as “Subrecipients” in this document, include county and city governments, state agencies, non-profit organizations, Councils of Government, and tribal nations. “Beneficiary” refers to potential applicants to subrecipients.

Overview

Beneficiaries who have completed reconstruction, rehabilitation, and/or elevation on their single family home prior to the start date of this program will be eligible to receive up to \$80,000. Beneficiaries who have completed reconstruction, rehabilitation, and/or elevation on their multi family housing prior to the start date of this program will be eligible to receive up to \$175,000 per dwelling unit. The beneficiary, as part of their application, must provide adequate documentation of eligible reimbursable expenses conducted on their home/housing. Once the application is received, the subrecipient will conduct the appropriate environmental review and damage assessment on the home/housing to ensure that the cost of activities, up to \$80,000 or \$175,000/dwelling unit are eligible for reimbursement. Beneficiaries cannot be reimbursed for work initiated after the start of the program (December 31, 2021). Beneficiary homes that reside in a 100-year floodplain are not eligible for this program. Subrecipients must ensure beneficiaries meet all determinations for eligibility prior to distributing any funds or executing a promissory note with the beneficiary.

Program Requirements

The program will prioritize beneficiaries with homes/housing damaged by the eligible events and who reside in the HUD most impacted areas (with 80 percent of funding going to those counties and zip codes) and are LMI households/serving LMI renters (below 80 percent AMI). The remaining 20 percent of funds will go towards the State identified MIDs. All beneficiaries under 120 percent of AMI will be eligible to apply for this program; however, beneficiaries within a floodplain will not be eligible for reimbursement.

All beneficiaries receiving assistance through the reimbursement program must sign a Forgivable Promissory Note with the subrecipient. Otherwise, the subrecipients may place a lien on the beneficiary’s property for the length of

the compliance period (A minimum of one [1] year). The single-family homeowner will be required to maintain the property and remain as primary owner and residence during the lien/note's duration. The multi-family homeowner will be required to maintain the property for the compliance period and all rental units must be rented to a low- to moderate- income individual or family. Rent levels must be calculated to be affordable to households at 80, 65, or 50 percent of area median income (AMI). If the property is sold before the end of the compliance period, the balance left on the lien/note will be returned to the subrecipient and then returned to ODOC.

Prioritization of Funds

ODOC and its subrecipients will prioritize funding to LMI beneficiaries. For both HUD MIDs and State MIDs, any applications received by subrecipients within the first 30 days that meets the LMI criteria should be considered before any non-LMI applications. If the program is not oversubscribed at that time, the subrecipient may begin processing non-LMI applications on a limited basis. Regardless, every subrecipient's program must benefit at least 51% low-to-moderate income persons.

All applications will be processed, including prioritization, based on the information provided in the application. If an application is incomplete or inconclusive, the subrecipient should contact the beneficiary, allowing at least 14 days for a response. In the instance that a complete response is not received within the allotted 14 days, the application may be withdrawn, and the initial submission date should no longer be effective.

Eligible Activities and Expenses

For the purposes of the Reimbursement Program, all costs associated with eligible activities including reconstruction, rehabilitation, elevation, and/or mitigation must be adequately documented, and the subrecipient should not reimburse the beneficiary for work completed after December 31, 2021. All eligible work must be considered necessary and reasonable and meet the

standards required in the SFH or MFH rehabilitation program guidelines. If applicable, adherence to Housing Quality Standards (HQS) may be required at the discretion of ODOC. Only work performed within the original footprint of the damaged structure, sidewalk, driveway, or other developed areas will be eligible for reimbursement unless certain elements were reconstructed to support persons with disabilities or was required due to the safety of the beneficiary, such as elevation. ODOC must approve all completed reconstruction work prior to reimbursement by the subrecipient.

To verify eligibility, each beneficiary must submit the following information:

- i. Documentation that damages were caused by the eligible storm event (see details in later section for examples);
- ii. Documentation that repairs were completed after the event and prior to December 31, 2021 (photos, contractor work completion documentation, assessment on work-value based on standard pricing, self-certification, and certificate of occupancy, if applicable). Please consult with ODOC if a damage inspector was not present or available at the time that damages occurred;
- iii. Submit receipts or invoices for home/housing repair expenses not evident by inspection. These may include debris removal, permit/inspection fees, dumpster rental, etc. Note that expenses related to temporary housing are not eligible and therefore should not be included;
- iv. Submit documentation to support the original source of payment for repairs (ex: bank account, credit card statements, loan application and agreement); and
- v. Certify any and all disaster assistance received following DR-4438 FEMA declared disaster.

Documentation of damages caused by the eligible events may include:

- i. FEMA, SBA, loan or insurance award letters;
- ii. Photographs;
- iii. If the above-referenced documentation is not available, an inspection report/damage assessment (complete with photos of the damage and a written assessment of the damage each photo

- depicts) will be conducted by a licensed HQS inspector, (or similar license) to certify the damage occurred because of the event; or
- iv. If FEMA, SBA, or insurance award letters are not available and an inspection report is inconclusive as to the cause of the damage, alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations, may be presented on a case-by-case basis only. ODOC approval is required for this method of proof of event damage.

If a beneficiary was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. Beneficiaries are not solely ineligible based on a denial by FEMA. Such applications will be reviewed on a case-by-case basis by the subrecipient. Table 1 provides examples of eligible and ineligible expenditures but it is not an exhaustive list of all costs. ODOC has the final authority to determine eligible costs.

Table 1: Eligible Reimbursement Program Expenditures

Eligible Expenditures:	Ineligible Expenditures:
Essential appliances (e.g., refrigerator, stove/oven, dishwasher)	Food, clothing, household goods
Permits and inspection fees	Fences or sheds
Removal of construction debris	Day labor paid by cash with no receipt
Utilities (plumbing, electrical and gas systems)	Tools
Structural repairs (struts, studs, framing, drywall, roofs, floors, fixtures, finishes, and foundation)	Flatbed trailers
Heating, venting, and air conditioning systems	Mortgage payments
Septic or sewer system repairs	Insurance premiums
Well or water system repair	Temporary housing (only offsets FEMA funds)
Entrance and Exit doors	
Drying water damage restoration, mold remediation, flooring replacement due to water damage	

Revision History

Version Number	Date	Notes	Page(s)
1	09-01-2021	Submitted to HUD.	Cover – 9
2	12-28-2021 JDS	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. a. Heading 1 = HEX #464646 b. Heading 2 = HEX #0066A6 c. Heading 3 = HEX #000000 d. Body/Normal = HEX #000000	Entire document