

## Frequently Asked Questions (FAQ's)

Isaac NOFA

February 4, 2015

- 1. Q.** Eligible Uses, P. 3. This section states that “No funds will be disbursed....and a Notice to Proceed is issued”. Is this inclusive of administrative costs, such as intake and eligibility process which may include applicants who do not proceed to an actual award, or can those costs be billed monthly as accrued outside of project delivery costs?

**A.** No, however, certain administrative and management costs may be reimbursable. HRP staff will work with the subrecipient to identify costs that may be allowable in this regards.
- 2. Q.** Will this program require a deed covenant or other recorded restriction with the homeowner and if so, for how many years?

**A.** Yes. A Restrictive Covenant is recorded after rehabilitation is complete for not less than three (3) years.
- 3. Q.** Will LHC be conducting abbreviated title searches for this program?

**A.** Yes, abbreviated title searches will be conducted for this program.
- 4. Q.** Ownership – if it is family property, can an affidavit be used or what requirements would be needed to deem the homeowner eligible?

**A.** No. The applicant(s) must be an individual(s) who legally own the property to be repaired, reconstructed or replaced. As such, the applicants’ name should appear on the title.
- 5. Q.** Is mobile home replacement an option and if so what specific guidelines would be required?

**A.** Yes. Reconstruction/replacement homes shall be limited to a size comparable to the damaged home (within 10% to 15% square footage of damaged structure) and shall comply with all Parish building codes and ordinances (including applicable elevation requirements).
- 6. Q.** For mobile home replacement does the certificate of immobility need to be filed at the time of the storm or just before application for this program.

**A.** Yes, the Certificate of Immobility must be dated on or before Hurricane Isaac.
- 7. Q.** If mobile home replacement is an allowable activity, which timeline category would it fall into?

**A.** Mobile homes would fall under the reconstruction/replacement housing timeline (150 days).
- 8. Q.** Is there a limitation to the number of projects that can be open at once, either in number or by financial commitment?

**A.** Yes, there is a limit of 5 homes under construction/reconstruction at once. The applicant must demonstrate that that the entity to perform the work is licensed, insured and bonded. In

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lieu of a performance bond, demonstration of minimum net financial resources is an option for a person or entities having net assets equal to the applied- for Homeowner Rehabilitation Grant, and who have unrestricted liquid assets at least equal to 18% of the applied-for Homeowner Rehabilitation Program Grant. Applicants must provide proof through submittal of certified audited financials.

9. **Q.** Is flood insurance considered an allowable cost under project delivery?
- A.** No. The homeowner must have all insurances by the date of application.
10. **Q.** Is the grantee responsible for filing costs of any deed restriction or other required recording or is that an LHC cost?
- A.** No. The cost for deed restrictions will be an LHC expense.
11. **Q.** What is the allowable administrative fee on the grant?
- A.** Program Administrative costs should not exceed a total of 5% of the funds allocated/awarded to the Subrecipient.
12. **Q.** It is our understanding that only five projects can be ongoing at any given time. With the short time frame of this grant, and the possibility of many small projects, will there be any flexibility in allowing more than five projects at a time? (Referenced in Isaac NOFA Workshop but not in NOFA).
- A.** The HRP staff will consider on a case-by-case basis.
13. **Q.** In lieu of a performance bond, can a contractor prove they have 18% of the total job cost in liquid assets? (NOFA page 4)?
- A.** Yes. In lieu of a performance bond, demonstration of minimum net financial resources is an option for a person or entity alone or in combination with other persons or entities having net assets equal to the applied-for Homeowner Rehabilitation Grant, and who have unrestricted liquid assets at least to 18% of the applied-for Homeowner Rehabilitation Program Grant. Applicants must provide proof through certified audited financials.
14. **Q.** In the NOFA (page 4) it says "Additionally, the applicant must demonstrate an ability to fund construction expenses and other related costs for a minimum of sixty (60) days during the reimbursement cycle." Is there a maximum amount of time that should be expected for reimbursement?
- A.** No, there is no maximum amount relative to reimbursement. It is the intent of the LHC to pay invoices within 45-60 days.

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- 15. Q.** How are expenses itemized and billed?
- A.** HRP staff will provide the appropriate forms necessary for billing.
- 16. Q.** How are administrative expenses reimbursed?
- A.** Please see response to Question #15.
- 17. Q.** Do all Green Building Standards have to be addressed or do we only have to address the standards that are related to an item that is being replaced or repaired? For example, do all appliances, lighting, and plumbing fixtures have to be exchanged if only an exterior door is replaced in a home? (NOFA page 23)
- A.** Yes. Applicants will be required to follow the federal Green Building Standards.
- 18. Q.** What is meant by “environmental conditions satisfied” in the paragraph “Eligible Uses”? (NOFA page 3)
- A.** All sites must undergo a complete environmental review prior to any commitment of funds. An environmental review consists of a statutory checklist of required review items. Properties with environmental conditions will not be permitted to proceed under housing activities unless the condition is corrected. No work can start on a site until the environmental assessment is complete.
- 19. Q.** If we submit a list of selected homeowner’s and explain our selection process, do we need to submit an affirmative marketing plan? (NOFA page 19)
- A.** Yes, all applicants must submit an affirmative marketing plan. Submitting an affirmative marketing plan is a threshold requirement. Failure to adhere to this requirement shall be considered a basis for disqualification.
- 20. Q.** Relocation assistance act: are funds used to relocate families during construction? Can relocation plan be for family to move into family/friend dwelling temporarily? (NOFA page 31)
- A.** Yes. However, in the case of Homeowner Rehabilitation Program, the plan does not apply because the homeowner rehabilitation is voluntary.
- 21. Q.** Can funds be used to move and store personal belongings during construction?
- A.** No. CDBG-DR funds provided for this effort are to be used for carrying out rehabilitation efforts in parishes affected by Hurricane Isaac. Storing personal belongings is not an allowable expense.

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**22. Q.** Would a mobile home manufacturer/supplier be required to provide a performance bond?

**A.** No. The entity performing the rehabilitation/reconstruction will need to provide the performance bond.