



Disaster Recovery Buyout Program Operations Plan

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Luzerne County Disaster Recovery Buyout Operations Plan

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Disaster Recovery Buyout Program Guidelines

Applicant: Municipal Governments

Initial Program Priorities

- Residential Property
- Substantially Damaged by Hurricane Irene or Tropical Storm Lee
- Repetitive Loss – at least two flood insurance claims within the last 10 years
- Vacant / abandoned flood damaged property
- Located in 100 Year Floodplain, flood damaged property
- Located in 500 Year Floodplain, flood damaged property

Eligible Properties:

- Impacted by 2011 flooding events or
- Two or more Flood Insurance Claims within last 10 years
- 1-4 Unit Single Family Residences
- Commercial property

Non-Eligible Properties/Owners:

- Second Homes as defined by IRS Publication 936

Criteria:

- (1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;
- (2) No new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than:
 - a public facility that is open on all sides and functionally related to a designated open space (*e.g.*, a park, campground, or outdoor recreation area); a rest room; a flood control structure; or a structure that the local floodplain manager approves in writing before the commencement of the construction of the structure;
- (3) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity in perpetuity [for that property, emphasis added].

SECTION 1 - PROGRAM MARKETING

PM 1.0 – Policy Outline

The communication, public information, and public outreach component of the *Luzerne County DRB* concentrates on the dissemination of information to applicants, potential applicants, and those parties interested in gaining information about the Programs. The purpose is to maintain a transparent organization that provides maximum benefit to recipients and assurance that grant money is properly spent.

The following Policies and Procedures will be defined:

PM 1.1 – Outreach Strategy

PM 1.2 – Citizen Participation

PM 1.3 – Target Audiences

PM 1.1 – Outreach Strategy

A. Policy

Outreach will be largely based on information obtained through application intake. The buyout program is voluntary by invitation of the Municipalities to the property owner to acquire the Property take it off the tax rolls and convert it to open space.

Printed materials such as handouts will be distributed by public officials, municipalities, and relevant non-profit organizations.

Direct mailings including email will be used to notify applicants of their application status updates, appointment notifications, missing information mailing, home evaluation notice, grant closing, and information regarding the construction process and timeline.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

PM 1.2 – Citizen Participation

A. Policy

Compliance with Federal Regulation:

Where applicable, all program activities and communication activities to individuals and organizations, adhere to, and document its adherence to, Luzerne County's Citizen Participation Plan, thus meeting the requirements of 24 CFR 91.115 and 24 CFR 570.486.

Outreach and communication activities will provide for and encourage citizen participation; give citizens reasonable and timely access to local meetings, information, and records relating to the Program activities; and furnish citizens information on the range of activities that may be undertaken with the CDBG funds.

B. Required Documentation

Maintain documentation in order to demonstrate citizen participation requirements are being met including, but not limited to:

- Notices and minutes of public hearings
- Written complaints with responses
- Actions taken to involve citizens in implementing the program
- Affirmative Marketing Plan

C. Procedures

In order to comply with Federal Regulations the Program will do the following:

- Review Luzerne County's Citizen Participation Plan
- Identify applicable requirements jointly with Luzerne County
- Incorporate requirements into outreach, communication, application processes, and activities.

Citizen participation will be solicited through a number of methods consistent with the fact that sufficient program applicants have already been identified and with the goal of qualifying as many applicants as possible for the program.

- Direct Mailings
- Handouts
- Outbound Calls
- Inbound Calls
- Public Media

PM 1.3 – Target Audiences

A. Policy

Property owners that incurred significant damage to their home as a result of 2011 presidentially declared disasters [defined in Section 8 of this plan].

Non-profit organizations assisting eligible property owners

Political and civic leadership in Luzerne County

Key operational stakeholders in the *Luzerne County DRB* process, including HUD and the Commonwealth of Pennsylvania

B. Required Documents

Statement of Policy only; no documentation required.

C. Procedures

Ensure that all media relations and external communications are targeted to the audiences outlined in the policy and monitor these communications.

SECTION 2 - APPLICATION

AI 2.0 - Policy Outline

Municipalities will apply for assistance to acquire properties

The following Policies and Procedures will be defined:

AI 2.1 – Municipal Pre-Application

AI 2.2 – Owner Application

AI 2.1 – Municipal Pre- Application

A. Policy Details

Municipalities will provide information indicating owners voluntarily participating in the PROGRAM

1. Owner name(s)
2. Location or address
3. Estimated acquisition price
4. Estimated Project delivery and administration cost

B. Required Documentation

Luzerne County DRB Application

C. Procedures

OCD will create an ID for the applicant in the Owner Application Tracking tool.

AI 2.2 – Owner Application

A. Policy Details

An application is accepted when it meets the basic content requirements necessary for completion.

Once an applicant's funding priority has been established, and that funding group is being served, the applicant will attend an in-person meeting with the municipal agent to verify their application and provide appropriate documentation.

B. Required Documentation

Luzerne County DRB Application

Duplication of Benefits documents showing 2011 presidentially declared disaster structural damage amount to the damaged property, or two flood insurance claims since September 1, 2001 supported by the following:

- Property owner Insurance
- Flood Insurance
- FEMA Repair Assistance
- SBA Disaster Assistance
- Increased Cost of Compliance (ICC)
- Other Sources

Allowed Activities documentation to offset Duplication of Benefits

- Cost of repair work already completed
- Receipts for temporary housing
- Forced mortgage payoff
- Contractor fraud

Citizenship/Eligible Immigrant documentation for at least one of the owner(s)

Current Government Issued Photo Identification

If the applicant is claiming low to moderate income, documentation of income

C. Procedures

The OCD will review the applicant provided documentation and place in file.

Third party verification may be completed on documentation received by the applicant that may impact eligibility or calculation of benefit:

- Verification of priority funding group (Section 3)
- Verification of Special Flood Hazard Area (Section 3)
- Verification of 2011 Disaster Damage (Section 6)
- Verification of ownership, occupancy type, structure type, location (Section 6)
- Verification of low and moderate income (Section 7)
- Verification of Property Taxes, Mortgage Liens (Section 8)
- Verification of Identity (Section 9)
- Verification of Duplication of Benefits (Section 11)

SECTION 3 - PRIORITY FUNDING

PF 3.0 – Policy Outline

Subject to the availability of funds, there may be multiple rounds for the Disaster Recovery Buyout Program. Applications will be awarded funding based on priorities established by Luzerne County until all funds are exhausted. Priorities are established by associating level of damage or cost of improvements with type of applicant or National Objective.

The following Policies and Procedures will be defined:

PF 3.1 – Low to Moderate Income

PF 3.2 – Order of Priority Funding

PF 3.3 – Definition of Special Flood Hazard Area 100 and 500 Year

PF 3.4 – Definition of current Flood Insurance Rate Map (FIRM) as amended by Letters of Map Amendment (LOMA) or Letters of Map Revision (LOMR)

PF 3.1 – Low to Moderate Income

A. Policy

An application will be considered part of the Low to Moderate Income Funding Priority if their household income is 80% or less of Area Median Income.

Percent AMI is determined during income verification.¹

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Statement of Policy only; no verification procedures.

¹ See Section EL 8 for complete income policies

PF 3.2 – Order of Priority Funding

A. Policy

Order of priority is determined by Luzerne County.

When a priority is determined the information provided will be verified to confirm the application meets the priority. If an application is determined that it does not meet the current priority it is returned to a waiting status until the priority designation is declared.

If an applicant meets a current priority, DRB may not verify the sub priority, and may accept self-certification for reporting purposes. Note that these priorities will be followed until funding runs out. It is conceivable that depending on the number of applicants qualifying under damage priority number one, funding could run out leaving unfunded requests under priority two. Likewise, depending on the number of applicants qualifying under the Priority Recipient designation, funding could run out leaving unfunded requests for all other applicants.

Current Priority

Luzerne County has established the following priorities:

September 1, 2013

- (1) Low-Income Residential Property Owners, regardless of Flood Plain or Occupancy type
- (2) Residential Property in 100 year Flood Plain
- (3) Residential Property in 500 year Flood Plain
- (4) Low-Income Non-Residential Property Owners
- (5) Non-Residential Property in 100 year Flood Plain
- (6) Non-Residential Property in 500 year Flood Plain
- (7) All other Property

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Statement of Policy only; no verification procedures.

PF 3.3 – Definition of Flood Hazard Areas 100 and 500 year

A. Policy

Special Flood Hazard Area (SFHA) commonly known as the 100-year flood plain is defined as zone "A" and "V" series (44 CFR 64.3) on current Flood Insurance Rate Map (FIRM).

"A" series includes the following zones: A, A1-A30, AE, A0, A99, AH, or AR²

"V" series includes the following zones: V, V 1-30, VE, or V0

.05 percent series, commonly known as the 500-year flood plain is defined as zone "B" and "X" series (44 CFR 64.3) on current Flood Insurance Rate Map (FIRM).

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

The OCD will use flood zone data sets obtained from a third party to determine the damaged property's flood zone.

² All series information were identified by FEMA at www.fema.gov

PF 3.4 – Definition of Current Flood Insurance Rate Map (FIRM)

A. Policy

The current Flood Insurance Rate Map (FIRM) as amended by Letters of Map Amendment (LOMA) or Letters of Map Revision (LOMR) for Luzerne County will be used to determine if the damaged property is located in a Special Flood Hazard Area.

An applicant is permitted to submit a LOMA or LOMR as evidence of flood zone.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

The OCD will review any applicant provided LOMA's or LOMR's for sufficiency.

SECTION 4 - AGENT DESIGNEE

CD 4.0 – Policy Outline

Municipal subrecipients have the authority to designate a signing agent.

The following Policies and Procedures will be defined:

CD 4.1 – Definition of Agent Designee

CD 4.1 – Definition of Agent Designee

A. Policy

Applicants have the ability to designate a third party to obtain information on their Program Application.

In order to designate an Agent Designee, the applicant must complete the *Designee Affidavit* or pass a resolution.

The Designee will be authorized to make inquiries in regards to the applicant's Program status either in person and/or mail.

The Designee is to sign any documents on behalf of the applicant as defined by the affidavit or resolution.

B. Required Documentation

An executed *Designee Affidavit* or *Municipal Resolution: Admin Designation of Agent*

C. Procedures

The OCD will review the *Designee Affidavit* form and verify that it has been properly executed.

SECTION 5 - POWER OF ATTORNEY

POA 5.0 – Policy Outline

In some cases an applicant will assign the legal capacity for completing, reviewing, approving and executing documents to another through a Power of Attorney

The following Policies and Procedures will be defined:

POA 5.1 – Power of Attorney

POA 5.1 - Power of Attorney

A. Policy

Applicant(s) may grant power of attorney to someone who can apply on their behalf.

The Power of Attorney must be current and notarized.

Power of attorney must sign documents for the applicant or co-applicant.

Example: Joe Smith attorney in fact for Jane Smith.

A person holding POA for an applicant will be able to sign or submit any documentation the Program requests or requires, make application status inquiries, attend construction meetings, and generally act in the applicant's stead for all actions related to application for the Program.

The POA will be reviewed by the OCD.

B. Required Documentation:

Applicant will provide form that is a properly signed and notarized Power of Attorney by both the applicant and the POA.

C. Procedures:

The OCD will review the POA to ensure that it has been properly executed and notarized and that a sufficient Power of Attorney relationship exists between the two parties.

SECTION 6 - OWNER & PROPERTY ELIGIBILITY

EL 6.0 – Policy Outline

This section outlines the eligibility requirements of ownership, occupancy, and structure.

The following Policies and Procedures will be defined:

EL 6.1 – Ownership of Damaged Property

EL 6.2 – Occupancy Type

EL 6.3 – Eligible Type of Structure

EL 6.4 – Definition and Eligible Documentation of Damage

EL 6.5 – Definition of 2011 Presidentially Declared Disaster

EL 6.6 – Verification of Property located within Luzerne County

EL 6.1 – Ownership of Damaged Property

A. Policy

The applicant(s) must have owned the property as of September 6, 2011.

Luzerne County Tax records must indicate ownership in the name of the applicant(s) both currently and on September 6, 2011 to be eligible for assistance.

If a match is not found, DRB may use a properly executed and recorded Warranty Deed with the county to prove ownership.

Exceptions:

- Contract for Deed or Lease Purchase Agreement
- Act of Donation
- Trust
- Deceased Owner
- Bank Owned
- Adjacent property in the floodplain

If the property owner passes away before application, during application, or after the contract has been signed, the heirs to the property may be eligible.

If the deceased owner of the damaged address passed away before the storm, the heir of the property has to meet all eligibility requirements and will be processed for assistance in the same manner as all other applicants.

If the deceased owner of the damaged address passed away after the 2011 presidentially declared disasters, the heir has to meet all eligibility requirements and will be processed for assistance in the same manner as all other applicants. If an eligible owner dies and leaves their damaged property to an entity, the application is eligible for assistance.

If the property is bank owned and otherwise eligible, the application is eligible for assistance.

Ineligible:

Owners of property that do not own the land that their structure is located on are not eligible for the program.

Applicants who lost ownership of their property due to foreclosure are not eligible for assistance.

Applicants who lost ownership of their property due to repossession are not eligible for assistance.

B. Required Documentation

- Contract for Deed/Lease Purchase Agreement Exception
- A notarized and executed contract that was in the conveyance records of the County.
- Evidence of recordation of the title in the name of the applicant in the conveyance records of the County
- Evidence that property was transferred by a warranty deed to applicant
- Act of Donation Exception

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- Must be witnessed, notarized and recorded in the Luzerne County land records documentation showing that the Act of Donation was completed.
- Trust Exception
 - The trust document or an abstract or extract of the trust must be recorded in the conveyance records of Luzerne County. This recordation in the conveyance records of Luzerne County may be recorded post-storm, if necessary.
- Deceased Owner Exception
 - Death Certificate for the deceased owner.

C. Procedures

OCD will use the Title abstract report to verify ownership.

For Contract for Deed/Lease Purchase exceptions, the OCD will review and verify the deed to ensure compliance with policy.

For Act of Donation exceptions, the OCD will review and verify the applicant provided documentation to ensure compliance with policy.

For Trust exceptions, the OCD will review and verify the applicant provided documentation to ensure compliance with policy.

For Deceased Owner exceptions, the OCD will review and verify the death certificate.

EL 6.2 – Occupancy Type

A. Policy

The applicant(s) may have occupied the property as their primary residence as of September 6, 2011.

All other occupancy will be considered Rental property or Commercial property.

Exceptions

Active duty military personnel who own a storm-damaged home in Luzerne County but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the disaster declaration are eligible to apply.

Applicants incapacitated due to illness who own a storm damaged home in Luzerne County and are currently incapacitated or were incapacitated at the time of the disaster declaration are eligible to apply.

Applicants who were incarcerated at the time of the storm but are no longer incarcerated are eligible to apply for the program. If the applicant is incarcerated at the time of application, the applicant must give someone Power of Attorney on his or her behalf.

Applicants who were in a nursing home at the time of the storm but are no longer in a nursing home are eligible to apply for the program. If the applicant is in a nursing home at the time of application, the applicant must give someone Power of Attorney on his or her behalf.

B. Required Documentation

If no match exists in county records, one of the following:

- Letter from electric, gas, or water utility. The letter must confirm that service was provided in August 2011 or September 2011 for an account in the applicant or co-applicant's name.
- Other qualified utility bills in the applicant or co-applicant's name from August 2011 or September 2011 may be presented to the county for consideration of proof of occupancy.

C. Procedures

The OCD will review tax bills, driver's license or the above documentation to confirm primary residency, rental property or commercial property.

EL 6.3 –Type of Structure Verification

A. Policy Details

Residential: A dwelling unit is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

Non- Residential: a Structure that does not meet the definition of Residential.

B. Required Documentation

- Application
- On-site Evaluation

C. Procedures

Structure type will be reconfirmed at the time of the On-Site Evaluation.

EL 6.4 – Definition and Eligible Documentation of Damage

A. Policy

2011 presidentially declared disaster is defined as rain, wind, tornado, and/or flood damage to the property, received as a direct result of a 2011 presidentially declared disaster plus subsequent damage related to the original declared disaster.

An applicant must provide documentation of damage to the home as a direct result of a 2011 presidentially declared disaster or two flood insurance claims since September 1, 2001.

B. Required Documentation

Federal Emergency Management Agency (FEMA) determination letter

Award letter from FEMA that indicates the applicant received funds related to the disaster identification #4025 or #4030 for home repair and replacement housing (component of the Individual Assistance Program).

Data from FEMA that the applicant was approved for a grant amount related to structural damage as a result of a 2011 presidentially declared disaster.

Damage Assessment conducted by FEMA indicating a damage amount to the damaged property from a 2011 presidentially declared disaster.

OR

Small Business Administration Loan (SBA)

- SBA Damage Assessment
- Confirmation from SBA that the applicant was awarded a 2011 Declared Disaster Loan
- SBA Award documentation

OR

National Flood Insurance Program (NFIP)

- Loss Detail estimate
- Amounts paid for Claim of the Building

OR

Property owner's Insurance

- Claim summary

OR

Home Evaluation

- Damage Confirmation

C. Procedures

The OCD will verify 2011 disaster damage through any one of the following ways:

Verification with a third party: Applicant information will be exchanged with FEMA, NFIP, SBA, and insurance companies.

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If the third party data indicates that the damaged property was compensated by one of those parties, the OCD will accept that as sufficient evidence of 2011 Disaster Damage.

- Applicant provided documentation of damage as defined above.

If the applicant is claiming two flood claims since September 1, 2001, OCD will secure directly from NFIP data base confirmation of flood claims.

EL 6.5 – Definition of 2011 Presidentially Declared Disaster

A. Policy

In 2011, Luzerne County was impacted by two declarations of Presidential Disaster Areas that occurred within 12 days of each other.

Hurricane Irene beginning late on August 26, 2011; FEMA declaration DR-4025-PA

Tropical Storm Lee beginning late on September 6, 2011; FEMA declaration DR-4030-PA

Damage is defined as rain, wind, tornado, and/or flood damage received as a direct result of a 2011 presidentially declared disaster to the property plus subsequent damage related to the original 2011 disaster damage.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Statement of Policy only; no verification procedures.

EL 6.6 – Verification of Luzerne County

A. Policy

To be eligible for assistance, the damaged property must be within Luzerne County limits.

B. Required Documentation

Copy of Deed

C. Procedures

The OCD compares the address on the deed to the on the application ensure that the damaged property address is located within Luzerne County limits.

SECTION 7 – INCOME & NATIONAL OBJECTIVE

EL 7.0 – Policy Outline

The Community Development Block Grant (CDBG) program requires Luzerne County to demonstrate that at least 50 percent (50%) of the funds are used to benefit low and moderate income households.

Luzerne County has secured a waiver of the 50% rule down to 27%.

The following Policies and Procedures will be defined:

EL 7.1 – Definition of Income

EL 7.2 – Definition of Household Size for Income Eligibility

EL 7.3 – Low to Moderate Income Limits

EL 7.4 – National Objective

EL 7.1 – Definition of Income

A. Policy

The Program will use the aggregated adjusted gross income of household members of 18 years of age or older.

Income will be derived from prior calendar year tax returns, adjusted for non-taxable income.

If tax returns are not available, The Program will use the 24 CFR Part 5 definition of annual income, which is defined as the gross amount of income of all adult household members (18 years of age and over) that is anticipated to be received during the upcoming 12 month period.

LMI status must be re-verified if more than 12 months have lapsed between the date of income verification and the time of assistance.

Current Income is defined as income received within 3 months of the date of the initial verification appointment letter.

B. Required Documentation

Current IRS Tax Return.

Documentation that no Tax Return filing is required.

- **Required Documentation if tax returns are not available** *Self Certification of Undocumented Income Form*

C. Procedures

Applicant provided income documentation will be reviewed by the OCD to ensure that they meet programmatic requirements.

If Tax returns for household are not available, OCD will utilize applicant self-certification of undocumented income..

EL 7.2 – Definition of Household Size

A. Policy

Household size is defined as the number of people who occupied the housing unit on the day of the verification appointment.

The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share permanent living arrangements.

If the damaged property is uninhabitable, household members are considered to be the people who would have occupied the damaged property as their primary residence.

If the property is commercial or Rental the household of the primary owner of the property is used.

Exceptions:

Some households include persons who are not considered as family members for the purpose of determining the household size, specific to determining income eligibility. Those include:

- Foster children,
- Foster aides,
- Live-in aides, and
- Children of live-in aides.
- Co-owners who are not occupants of the damaged property.

These persons should not be counted as household members when determining household size for income and their income, if any, is not included when calculating annual income.

A child who is subject to a shared-custody agreement in which the child resides within the household at least 50% of the time can be counted in the household.

Permanently absent family members: If a family member is permanently absent from the household (i.e., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

Temporarily absent family members: If a family member is temporarily absent from the household (i.e., a spouse working in a remote location), their income is included.

Adult students living away from home: The first \$480 of the student's income must be counted in the family's income if they are an adult student, (dependent or independent), and counted as a member of the household size. If the adult student is the head of household or spouse, their full income must be counted.

B. Required Documentation

Intake Application

AND

Luzerne County Disaster Recovery Buyout Operations Plan

Copy from the Registrar's office website, showing that the student is currently enrolled and considered a full-time student (12 credit hours for undergraduate and 9 for graduate) (if applicable for adult student living away from home included in household size)

AND

Child Custody Agreement if the household has a child where custody is shared (if applicable)

C. Procedures

The OCD will ensure that the documents are present in the application documents and properly completed and that the LMI limits are properly applied for the household size.

EL 7.3 – Low and Moderate Income Limits

A. Policy

The low and moderate income (LMI) limit is at or below 80% of the Area Median Income (AMI) for the household size for the Scranton--Wilkes-Barre PA MSA.

AMI is defined by the US Department of Housing and Urban Development (HUD).

The most current income limits published by HUD will be used.

B. Required Documentation

HUD Income Limit Form

Income Verification Worksheet

C. Procedures

The OCD will review the HUD Income Limit form and Income Verification worksheet to determine whether the application is at or below 80% AMI.

EL 7.4 – National Objective

A. Policy

Each DRB eligible award amount must qualify as *meeting one of the three national objectives* of the program. This requires that each award meet specific tests for either:

- Benefiting low and moderate income persons, defined as a household earning **80% or less of the Median Family Income for the County** as published by the U.S. Department of Housing and Urban Development (HUD).
- Preventing or eliminating blight, or
- Urgent Need: Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.
 - A condition will generally be considered to be of recent origin if it developed or became urgent within 18 months preceding the certification by the unit of general local government. An Urgent Need will be considered to be of recent origin under this program if it developed or became urgent between August 26, 2011 and April 15, 2013.

At least 27% of CDBG Disaster Program Buyout funds allocated to Luzerne County must benefit low and moderate income households. If a property owner does not meet the criteria for low and moderate income, they must meet one of the two other national objectives; Blight or Urgent Need.

B. Required Documentation

Determination of National Objective

C. Procedures

The OCD will review the HUD Income Limit form to determine if the applicant household meets the national objective of Low and moderate income. If they do not, the default criteria is Urgent Need.

SECTION 8 - ADDITIONAL ELIGIBILITY

EL 8.0 – Policy Outline

Additional eligibility requirements related to compliance with Property tax, and Mortgages and Flood Plain Management.

The following Policies and Procedures will be defined:

EL 8.1 – Delinquent Property Taxes

EL 8.2 – Mortgage Liens

EL 8.3 – Compliance with National Flood Insurance Reform Act

EL 8.1 – Delinquent Property Taxes

A. Policy

All delinquent property taxes for the damaged property must be considered current as of completion of the closing appointment.

CDBG-DR funds may not be used for payment of delinquent taxes.

B. Required Documentation

Luzerne County Tax Assessor’s Office Statement

C. Procedures

The closing agent will review the Luzerne County Appraisal District data to determine if the damaged property has any property tax amount considered not current.

Closing Agent will list delinquent taxes on the settlement statement (HUD-1)

EL 8.2 – Mortgage Liens

A. Policy

The Program will work with the lenders to obtain a payoff amount from the lenders identified in the Title Report.

B. Required Documentation

Lenders' statement of outstanding balance

C. Procedures

The closing agent will confirm that the statement of outstanding balance is provided by the lenders identified.

EL 8.3 – Compliance with National Flood Insurance Reform Act

A. Policy

All owners receiving federal assistance subject to the National Flood Insurance Reform Act requirement to maintain flood insurance must be in compliance for the damaged property to be considered for acquisition.

B. Required Documentation

FEMA determination of compliance

C. Procedures

The OCD will review the data provided by FEMA to determine if the damaged property owner is in compliance and eligible for assistance by DRB.

SECTION 9 FRAUD AND IDENTITY CHECK

EL 9.0 – Policy Outline

The *Luzerne County DRB* requires substantial measures to prevent fraud, ensure adherence to contractual obligation and federal, state and local laws and regulation, and ensure quality services are provided.

The following Policies and Procedures will be defined:

EL 9.1 – System for Award Management

EL 9.2 – Identity Verification

EL 9.3 – Citizenship

EL 9.4 – Eligible Immigrant

EL 9.5 – Program Integrity

EL 9.1 –System for Award Management (SAM)

A. Policy

The Program must confirm that applicants of damaged property are checked against the **System for Award Management (SAM)**, the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

B. Required Documentation

SAM result

OR

Online search date and print screen of search result

C. Procedures

The OCD will verify that applicants are not listed as Blocked Persons in the SAM.

EL 9.2 – Identity Verification

A. Policy

The Program must confirm that the primary and joint applicants identity.

If an applicant's identity cannot be confirmed, the applicant will not be allowed to receive program funds.

B. Required Documentation

Government Issued Photo Identification Card (Driver License or government issued Photo ID including a U.S government issued Passport or a Veteran's Administration issued Photo ID.

If government Photo Identification is not available, the primary and joint applicants are checked against third party database (CREDCO or similar) for identity verification based upon social security number.

Same Name Certification

Self-Certification of Social Security Number

Self-Certification of No Social Security Number

C. Procedures

The OCD will verify identity of the primary and joint applicants against Government issued photo identification

OR

If Photo Identification is not acceptable, OCD will verify identity of the primary and joint applicants with a CREDCO.

The OCD will provide appropriate identifying information to CREDCO for the primary and joint applicants.

The CREDCO result will confirm or deny Identity.

The CREDCO result is documented in the project file.

EL 9.3 – Citizenship

A. Policy

Applicant or Co-Applicant must be United States citizen or eligible immigrant.

B. Required Documentation

Birth Certificate

OR

United States Passport

OR

Certificate of Naturalization

Exception:

Elderly applicants may provide Social Security Benefit statement as Citizenship document when none of the above are available.

C. Procedures

The OCD will review the applicant provided documentation for accuracy and sufficiency.

EL 9.4 – Eligible Immigrant

A. Policy

Applicant or Co-Applicant must be United States citizens or eligible immigrant.

B. Required Documentation

Form I-551 Alien registration receipt card

OR

Form I-94 Arrival Departure Record annotated with one of the following:

Admitted as a Refugee Pursuant to Section 207

Section 208

Section 243 (h) or "Deportation stayed by Attorney General

Paroled Pursuant to Section 221 (s)(5) of the USCIS

OR

Form I-94 Arrival-Departure Record with no annotation accompanied by:

A final court decision granting asylum (only if no appeal is taken)

A letter from an USCIIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from an USCIS district director granting asylum (application filed before 10/1/90)

A court decision granting withholding of deportation

A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90)

OR

A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified.

C. Procedures

The OCD will review the applicant provided documentation for accuracy and sufficiency.

The OCD will verify through an online verification system to validate citizenship. Result from the system will be documented in the Owner Application Tracking tool.

EL 9.5 – Program Integrity, Identity Fraud

A. Policy

The Program may mitigate fraud risk by working in concert with an outside consultant to identify possible identity fraud.

The outside consultant would run analytics to investigate any fraud activity, upon request by Luzerne County.

B. Required Documentation

Notice of Inquiry, Special Review is inputted in the Owner Application Tracking tool.

C. Procedures

If a possible fraud case is identified, the identifying party or department will complete a Notice of Inquiry and forward it to the outside consultant.

The applicant will be placed into special review status until the outside consultant has reached a disposition. The application continues to be processed while in special review status.

The outside consultant will review the Notice of Inquiry and conduct research to assist in determining whether a fraudulent event has occurred. If the consultant concludes that the Notice of Inquiry documents a fraudulent event, it will compile a package including the Notice of Inquiry, all relevant documentation and the conclusions and recommendations and submit to Luzerne County OCD for disposition.

If the outside consultant concludes that the Notice of Inquiry does not document a fraudulent event, it will compile a package including the Notice of Inquiry, all relevant documentation and the conclusions and recommendations for the applicant's file. The applicant will be taken off special review and may proceed through the program.

SECTION 10 - AWARD CALCULATION,

Awards for the DRB Program will be calculated in a uniform fashion in accordance with Pennsylvania Emergency Management Agency Hazard Mitigation Grant Program (PEMA HMGP) except where conflicted with Federal Register 5582-N-01 published November 16, 2011 Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees policies. If such conflict exists, Federal Register 5582-N-01 published November 16, 2011, shall supersede PEMA HMGP policy.

AC 10.0 – Policy Outline

The Program Offer is the amount of benefit the property owner will receive as acquisition price. Closing is the event where contractual agreements are executed subject to Approval by Luzerne County.

The following Policies and Procedures will be defined:

AC 10.1 – Benefit/Award Calculation

AC 10.2 – Appraisal Value

AC 10.1 – Benefit/Award Calculation

A. Policy

The acquisition baseline price will be determined by appraisal.

FEMA, insurance (home, wind, and/or flood, including ICC if applicable), Small Business Administration Disaster Loans and Other Sources considered to be a duplication of benefit will be applied first against Estimated Repairs Completed from documented receipts and invoices. Remaining funds in excess of Estimated Repairs Completed are the DOB Funds will be deducted from appraisal value.

Allowable activities such as mortgage pay down or pay off and cost of temporary housing may offset DOB Funds in Escrow.

In addition to the below limits, each municipal applicant of the project will include an additional amount subject to the limits set forth in the DRB contract for project direct costs, including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to acquiring and clearing the property.

B. Required Documentation

Appraisal Report

Duplication of benefit worksheet

Verified Duplication of Benefits documents

Allowed Activities Receipt Review

C. Procedures

The municipality will collect the receipts and enter the amounts and purpose on a spreadsheet.

The municipality will confirm benefits received from the Property owner and enter it on to the Duplication of Benefit worksheet.

Duplication of Benefit worksheet and Receipt Review will be submitted to OCD for review and approval

AC 10.2 – Appraisal, Acquisition Basis

A. Policy

The Program provides for an Award on the basis of when the property was acquired by the owner applicant.

Acquisitions of the property from owners of record at the time of the storm shall use Pre-Storm Value basis. Acquisition of property from owners that acquired the property after September 6, 2011 shall use Current Market Value basis.

Pre-Storm Value: Appraisal of value on or near September 6, 2011 shall be the base acquisition price as determined by a certified or licensed appraiser within the Commonwealth of Pennsylvania

Applicants that were not the owner of the property at the time of the storm shall have a base award of the current market value.

Lessor of Current Market Value or Price paid by new Owner: Property value as of the date of appraisal shall be the base acquisition price as determined by a certified or licensed appraiser within the Commonwealth of Pennsylvania.

Exceptions:

If Bank-Owned property: The acquisition price is the lessor of short sale amount or foreclosure balance remaining or Current Market Value appraisal.

B. Required Documentation

Appraisal

Or

Lender documentation of outstanding balance due, foreclosure or short sale amount

C. Procedures

OCD to confirm the date of acquisition as presented on Deed.

OCD shall order Pre-Storm and Current Market Value Appraisal.

OCD to calculate lessor of value, if applicable.

SECTION 11 DUPLICATION OF BENEFIT

BD 11.0 – Policy Outline

The following is a list of sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits and by federal law³ as well as HUD guidance⁴ must be deducted from the assistance amount: FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Private Insurance, Increased Cost of Compliance (ICC) and Small Business Administration (SBA) and Other Sources.

The following Policies and Procedures will be defined:

BD 11.1 – Duplication of Benefit

BD 11.2 – Allowable Activities

BD 11.3 – Subrogation

BD 11.4 – Legal Fees

³ Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, 42 U.S.C. 5121-5207, USC Title 42, Chapter 68.

⁴ Federal Register....November 16, 2011

BD 11.1 – Duplication of Benefit

A. Policy

Duplication of benefit includes payments made to the applicant by identified parties representing disaster assistance for the same loss for which the Program is providing assistance, which is generally “Structure/Coverage A” for only 2011 presidentially declared disaster payments.

Duplication of benefit includes:

Assistance from FEMA Individual Assistance designated as structural repair Home Repair or Replacement Housing) for a 2011 presidentially declared disaster(s);

The real estate or elevation portion of SBA disaster loans for 2011 presidentially declared disaster(s);

Any insurance proceeds (including NFIP proceeds) relating to structure (generally Coverage A) for a 2011 presidentially declared disaster(s);

All categories of Increased Cost of Compliance (ICC) payments for 2011 presidentially declared disaster, if used for elevation or demolition of a unit requiring elevation and/or demolition;

Other Sources of funds of direct payment for structural repairs resulting from 2011 presidentially declared disaster(s).

B. Required Documentation

Luzerne County DRB Application with the following information:

FEMA – registration number and amount approved and/or received

SBA – application number, loan number, amount approved and/or received

Insurance (Property owners, Flood, Wind) information – company name, agent's name and phone number, policy number, claim number, policy date, amount settled for structure and/or pending

Disaster funds received from any other source including City, County, State or Federal Grants, at any time, dates and amounts

C. Procedures

OCD will verify FEMA and SBA through data provided by FEMA and SBA. OCD will verify other duplication of benefits by contacting the agency and requesting payment information.

If the OCD is unable to verify 3rd party duplication of benefits, they will use the documentation provided by PA DCED or the applicant to determine the duplication of benefit amount.

OCD will complete the 3rd Party Verification Form with the date and amount verified.

BD 11.2 – Allowable Activities

A. Policy

Any portion of the duplication of benefits that has been determined to be funds spent by the applicant on "Allowable Activities" (outlined below) will reduce the amount considered to be a duplication of benefits.

Allowable Activities are considered the following:

Funds expended to repair structural damage

Funds expended to repair structural damage, but contractor did not complete the work, resulting in contractor fraud. Applicant must provide a police report to substantiate the claim of contractor fraud. Police report must have been filed prior to the date of application submitted.

Funds expended for qualified temporary housing costs, only if costs exceeds FEMA rental assistance amount

Funds expended related to mortgage expenses where the mortgage company imposed a force payment on the insurance proceeds requiring the applicant to pay-off or pay-down the mortgage on the damaged property

B. Required Documentation

Police Report (if applicable)

Letter from the mortgage company (if applicable)

Lease and Utility Bills (if applicable)

Description of Work

Itemized Repairs

Receipts for expenses

C. Procedures

Municipal agent will review applicant provided support for the Allowable Activities against the required documentation and determine whether they are allowable under the Program.

Municipal agent will work with the applicant to document from itemized receipts, the allowable activities that may offset benefits received.

Municipal agent will enter the sum of itemized calculations on to the Duplication of Benefit Worksheet.

Municipal agent submits final review for OCD approval.

BD 11.3 – Duplication of Benefit Subrogation

A. Policy

All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to applicants not included in the original benefit determination calculation and/or after their closing appointment, must be subrogated to the Program to prevent a duplication of benefits.

Only claims designated as structure or elevation related claims are required to be subrogated to the Program.

Only applicable claims paid up to the amount of the DRB Grant shall be subrogated to the Program.

If a lien holder exercises rights to insurance claims paid, Luzerne County shall pursue recovery of the deficiency from the applicant. If the amount is less than \$5,000 Luzerne County may elect not to pursue recovery of the deficiency.

The applicant/insurance beneficiary must submit an insurance claim check endorsed by all parties listed as payees on the check or payment may be submitted directly to Luzerne County.

B. Required Documentation

Limited Subrogation Agreement

C. Procedures

The Subrogation Agreement is signed by the applicant after the Offer is accepted and is placed in the project file.

In the event that a claim is settled after Closing, the OCD will determine if it is subject to subrogation by the following procedure:

The OCD will verify the claim with the insurance company to ensure that only structural claim amounts are subrogated.

The OCD will perform a calculation to determine the amount necessary to be subrogated.

The required subrogation amount will be any claims received up to the applicant's eligible grant award.

The OCD will deposit the claim check and, if necessary, send a supplemental check to the applicant and any other co-payees on the original insurance check for any amount above the required subrogation amount and for claim amounts paid not related to structure.

BD 11.4 – Legal Fees

A. Policy

Legal fees incurred in the course of successfully obtaining insurance proceeds will be credited to applicant and will not be deducted as part of their duplication of benefits.

B. Required Documentation

Evidence of payment of fees.

Self-certification

C. Procedures

The municipal agent will review the applicant provided information and reduce the duplication of benefit amount appropriately.

SECTION 12 UNIFORM RELOCATION ACT & ANTI-DISPLACEMENT ACT

URA 12.0 – Policy Outline

To execute the Program, residents shall be required to relocate. The objective of The Relocation Policy is to ensure that eligible persons who may be displaced as a result of a Federally-assisted activity receive relocation advisory assistance and benefits pursuant to and as mandated by federal laws, including HUD 24 CFR 570 Section 606; the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 49 CFR 24 ("Uniform Relocation Act" or "URA"); Section 104(d) of the HCD Act 1974; and Grant waivers from The Consolidated and further Continuing Appropriations Act, 2012.

The following Policies and Procedures will be defined:

URA 12.1 – Initial Evaluation

URA 12.2 – Tenant Survey

URA 12.3 – Temporary Housing

URA 12.4 – Post-Reconstruction/Rehabilitation

URA 12.1 – Initial Evaluation

A. Policy

DRB representatives will provide relocation advisory services and project specific relocation plan information. Basic steps should include:

Outreach to occupants to explain all written notices households may expect to receive, their rights and suggestions for avoiding problems during the relocation process.

Communicate the housing and moving options the DRB knows are available.

The project specific relocation plan and cost estimate, along with other supporting documents relevant to relocation, will become an addendum to the property owner's application for DRB funding.

Owner/Occupants

Relocation assistance for owner-occupant households participating in a voluntary acquisition program is not required under either the Uniform Relocation Act (URA) or Section 104(d) of the Housing and Community Development Act.

As soon as it is feasible, the DRB will ensure that each owner-occupant household receives a written *Notice of No Relocation Assistance for Owner-Occupants* informing them that they will not be offered relocation assistance.

Owner-occupant applicants will be required to sign and return an *Acknowledgement of Receipt of Notice of No Relocation Assistance for Owner-Occupants* form. The form will become part of the applicant's file.

Tenants

Owners are responsible for the relocation cost of tenants that move-in after they have receive notice of no assistance for Owner-Occupant. Relocation Costs will be deducted from the award. Tenants will be relocated prior to Closing.

Relocation costs of Tenants present on property at the time of owner's notice will be paid from CDBG-DR funds separate and not deducted from the award.

An initial evaluation will be conducted with the property owner to assess the names and number of the tenants living in the damaged property.

The owner will need to submit a rent roster of all households currently in occupancy in the property. The rent roster must include the size of each unit included in the application, number of household members legally permitted to occupy the unit and the current rent.

The Program will provide the tenant with Notice of Eligibility (NOE)/90-day letter and 30-day letter.

The Program will provide the property owner with the following:

General Information Notice (GIN)

Move-In Notice to Prospective Tenants

The GIN will indicate that a project has been proposed and that permanent displacement may occur. It informs each tenant of their rights as a displaced person under federal law and that they

may be eligible for relocation assistance or payments under the Uniform Relocation Act. The notice cautions each tenant not to move prematurely and explains the ramifications of moving of their own volition. GIN notices must be provided to occupants early in the process when the owner applies for program funding.

Should a tenant(s) relocate of his/her/their own volition after receipt of the General Information Notice and after the DRB has entered into an agreement with the owner, the tenant(s) will be required to release the DRB from its obligation to provide relocation assistance.

If the tenant(s) refuses to sign the release, the DRB staff person meeting with the applicant will sign an affidavit noting the date, time and reason for the tenant's refusal.

B. Required Documentation

URA-A: Property Owner's Occupancy Certification

URA-B: General Information Notice

URA-C: Move-In Notice to Prospective Tenants

C. Procedures

OCD will ensure that each owner applicant receives a written *Notice of No Relocation Assistance for Owner-Occupants* and that an *Acknowledgement of Receipt of Notice of No Relocation Assistance for Owner-Occupants* is obtained for each application.

OCD will ensure that the rent roster and *Acknowledgement of Receipt of General Information Notice* is obtained for each application where a tenant is present.

URA 12.2 –Tenant Survey

A. Policy

When the OCD has reviewed and provided initial project approval, OCD staff will survey each tenant household to identify their housing needs.

This survey will form the basis for a project specific relocation plan.

The *Tenant Survey – Site Occupant Record* will be performed on each affected household which will require relocation. The survey will assist in determining appropriate advisory services, the tenant(s) needs and to establish site occupant records of each household to be relocated. If feasible, contact shall be face-to-face with each tenant to facilitate their participation and to provide and explain appropriate notices and relocation procedures.

B. Required Documentation

Tenant Survey – Site Occupant Record

C. Procedures

OCD will ensure that a *Tenant Survey – Site Occupant Record* is performed on each affected household which will require temporary relocation.

URA 12.3 – Tenant Relocation

A. Policy

Housing costs benefits will be provided to tenants to pay for costs of renting housing. The OCD will ensure that the housing is decent, safe, and sanitary and is provided on a nondiscriminatory basis for families or individuals who are moved. OCD must issue a Notice of Eligibility for Relocation Assistance to the affected household and provide full relocation assistance as required under the URA.

It is the obligation of the OCD to ensure that all tenant households have their belongings and household goods moved subject to limits of URA.

B. Required Documentation

Notice of Eligibility for Relocation Assistance

C. Procedures

Statement of Policy only; no required verification procedures.

SECTION 13 - ENVIRONMENTAL REVIEWS

ER 13.0 – Policy Outline

CDBG disaster grant funding from the US Department of Housing and Urban Development (HUD) is contingent on compliance with the National Environmental Policy Act and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities will be carried out and documented by the Program.

The following Policies and Procedures will be defined:

ER 13.1 – Roles and Responsibilities

ER 13.2 – Broad Review

ER 13.3 – Site Specific Review

ER 13.4 – Required Documentation

ER 13.5 – Environmental Standards

ER 13.1 - Roles and Responsibilities

A. Policy

The US Department of Housing and Urban Development's (HUD) Environmental Review Procedures are outlined in 24 CFR Part 58 and allow grantees to assume environmental review responsibilities.

The Luzerne County will conduct an environmental review in compliance with NEPA and related environmental/historic preservation statutes and executive orders to take into account the environmental impacts of federal actions.

Luzerne County is the Responsible Entity (RE) as outlined in 24 CFR Part 58 Subpart B and is responsible for undertaking compliance efforts for the program and providing signatures.

The Luzerne County will be responsible for performing the ERR by conducting an environmental analysis and prepare compliance documentation in support of the Broad and Site Specific reviews utilizing aggregation and tiered environmental review process.

The OCD will prepare required ERR documentation (ERR, publications, FONSI/RROF, Authorization to Use Grant Funds, and other applicable documents) and submit to the Certifying Officer for review.

OCD will review and edit all draft documents, sign completed documents, publish and submit documents to HUD.

B. Required Documentation

Statutory Checklist (58.5)

Other Requirements Checklist (58.6)

Broad Review (ERR cover that includes standard compliance documents associated to each level of tiered environmental packages)

Site Specific Checklist

Form 7 Environmental Clearance Status Form

Combined Finding of No Significant Impact and Request Release of Funding.

Agency consultation letters and backup data for ERR compliance

C. Procedures

Luzerne County review may include audit of: selected sites (housing units), ERR information included in each tiered package; GIS data to facilitate the environmental process; record correspondence between county and another agency, and: other published materials utilized to achieve environmental compliance.

ER 13.2 – Broad Review

A. Policy

Luzerne County will develop the Broad Review and Tiering Plan that includes identifying project alternatives, characterizing the affected environment, identifying potential impacts, outlining ways to reduce or minimize adverse effects, and addressing compliance factors.

B. Required Documentation

Environmental Review Records

Statutory Checklist

Form 7 Environmental Clearance Status Form

C. Procedures

Luzerne County will prepare draft letters to local, state and federal agencies requesting jurisdictional determinations and waivers and submit to Luzerne County for review and signature.

Luzerne County will collect data using GIS along with information provided by local, state and federal agencies.

Luzerne County will produce ERR compliance documents based on application review, research, field observations and agency coordination.

Luzerne County will review and edit all draft documents, sign completed documents, publish and submit documents to HUD.

Any resultant implementation conditions resulting from the environmental review will become part of the grant/loan agreement.

ER 13.3 – Site Specific Review

A. Policy

Based on the Broad Review documentation and Tiering Plan, Luzerne County will develop a Site Specific Checklist that characterizes the affected environment, identifies potential impacts, outlines ways to reduce or minimize adverse effects, and documents compliance factors to complete the activity.

B. Required Documentation

The review will be documented through Environmental Review Records.

C. Procedures

Luzerne County will identify locations for site specific review from qualified applications.

Luzerne County will provide compliance documents based on application review, research, field observations and agency coordination.

Luzerne County will produce required documentation.

Luzerne County will review and edit all draft documents, sign completed documents, publish and submit documents to HUD.

Any resultant implementation conditions resulting from the environmental review will become part of the grant/loan agreement.

ER 13.4 – Environmental Review Documentation

A. Policy

Environmental reviews require acquisition and demolition activities.

B. Required Documentation

Agency letters and responses

Project Descriptions that specifies acquisition and demolition activities.

Site Specific Checklist, Statutory Checklist, 58.6 Compliance Documentation Checklist and support documentation for Acquisition and Demolition Projects

8-Step process document and Public Notices (Early Notice and Final Notice with Alternatives), if applicable

Finding of No Significant Impact (FONSI/PROF COMBINED)

Form 7 Environmental Clearance Status Form

C. Procedures

Luzerne County will provide copies of Broad Review Parent Documents include standard HUD forms and checklists, maps, support documentation and any backup data for ERR compliance.

Luzerne County will provide electronic copies of completed individual files that include standard HUD forms and checklists, maps, support documentation and any backup data for ERR compliance.

Luzerne County will review and edit all draft documents, sign completed documents, publish and submit documents to HUD.

ER 13.5 – Environmental Standards

A. Policy

In accordance with US Department of Housing and Urban Development (HUD) Environmental Criteria and Standards, application site environmental review will be a factor in determining eligibility, environmental and historic preservation mitigation requirements, and resultant project scope of work and funding needs:

- Executive Order 11988 for Floodplain Management
- Executive Order 11990 of Protection of Wetlands and HUD regulations 24 CFR 55.20 (b) for the HUD action that is within and/or affects a floodplain or wetland.
- Historic Preservation 36 CFR Part 800 including the National Register of Historic Places
- Floodplain Management 24 CFR 55, Executive Order 11988
- Wetland Protection Executive Order 11990
- Coastal Zone Management Act Sections 307(c), (d)
- Safe Drinking Water Act of 1974 as amended, Section 1424(e) Sole Source Aquifers 40 CFR 149
- Endangered Species Act of 1973, Section 7, 50 CFR 402
- Wild and Scenic Rivers Act of 1968, Section 7(b) & 7(c)
- Clean Air Act Sections 176 (c), (d) and 40 CFR 6, 51, 93
- Farmland Protection Policy Act of 1981 as amended by the Quiet Communities Act of 1978, 24 CFR 51B
- Environmental Justice Executive Order 12898
- Noise Abatement and Control 24 CFR 51B
- Explosive and Flammable Hazards 24 CFR 51C
- Toxic Chemicals and Radioactive Materials 24 CFR 58.5(i)(2) and 50.3(i)
- Airport Clear Zones and Accident Potential Zones 24 CFR 51D
- Inapplicability of 24 CFR part 55 to certain categories of Proposed Actions (55.12)

In accordance with Executive Order 11988, Executive Order 11990 and 26 CFR 55.20 two notices will be published. A notice for early public review of a proposed project in the floodplain and/or wetlands would be published by Luzerne County in an appropriate local printed news medium. The notice would consist of multiple proposed activities by including the name, location and description of the proposed projects delineated by the type of activity proposed as well as the acreage of floodplain and/or wetlands involved. A minimum of 15 calendar days shall be allowed for public comment on the notice.

The use of an aggregated tiering approach would include clearance from select agencies based on implementation of specific criteria for housing rehabilitation and reconstruction. This would allow Luzerne County the ability to package properties under a single cover/broad review, which have similar environmental characteristics, in accordance with the Statutory Checklist for 24 CFR 58.5. The following agencies were identified as most likely be able to provide the capabilities for granting limited clearance for specific activities/actions to assist with environmental compliance for the housing program:

- Federal Emergency Management Agency
- Pennsylvania Dept. of Conservation and Natural Resources

Luzerne County Disaster Recovery Buyout Operations Plan

- Luzerne County Historical Society
- USDA, Natural Resources Conservation Service
- Pennsylvania Natural Heritage Program
- Pennsylvania Dept. of Environmental Protection
- Pennsylvania Dept. Of Community and Economic Development
- Pennsylvania Game Commissions
- Pennsylvania Fish and Boat Commission
- Pennsylvania Historical and Museum Commission Bureau for Historic Preservation
- United States Army, Engineer Division, Northeast
- United States Fish and Wildlife Service
- United States Environmental Protection Agency
- United States Geologic Service
- Municipal Historic Commissions or Societies as applicable
- ACHP, Advisory Council on Historic Preservation (Federal)

Letters requesting a determination of limited clearance for specific activity types were sent to the above agencies. If no response is received by Luzerne County within 30 days, Luzerne County will follow up with the agency on the status of their determination.

B. Required Documentation, if applicable

Application with the damaged property (project site) address

Site-Specific Checklist

Airport noise contour maps, as applicable

Supporting documentation identifying nearby airports and airfields

Documentation itemizing mitigation measures consistent with HUD safety standards and mitigation measure guidance, as necessary

Documentation from airport operators regarding runway clear, protection or accident zones

GIS mapping

Property owner or contractor provided documentation from the Pennsylvania Dept. Of Environmental Protection or the US Environmental Protection Agency demonstrating environmental conditions have been resolved as necessary

C. Procedures

Luzerne County will complete direct field observation during the initial inspection of the damaged property.

Luzerne County will be responsible for coordination with local authorities on known contaminated properties, as necessary.

Luzerne County will review regulatory agency documentation, as necessary.

Luzerne County will be responsible for coordinating all activities for gathering compliance documentation from appropriate agencies.

Luzerne County will be responsible for collating ERR documentation (Statutory Checklist, compliance correspondence, maps, publication information, mitigation information, and

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associated text, etc.) into the appropriate format for each tiered package as a signature ready document for Luzerne County to approve.

Once alternatives to the proposed activity are analyzed and documented in the 8-Step process the proposed activity is determined to have no practicable alternative to being performed within the floodplain and/or wetland, a final notice and public explanation of the proposed activity in the Floodplain and/or wetland would be published by Luzerne County in a local printed news medium. The final notice would be site-specific and would describe all alternatives considered and the reasons behind their impracticability. A minimum of 7 calendar days shall be allowed for public comment before approval of the proposed action.

Luzerne County will create RROF documentation including Form 7 as it relates to the environmental approval process and obligation of funding.

SECTION 14 - ACQUISITION OFFER & CLOSING MEETINGS

AOCM 14.0 – Policy Outline

The Program Offer is the amount of benefit the property owner will receive as acquisition price. Closing is the event where contractual agreements are executed subject to Approval by Luzerne County.

The following Policies and Procedures will be defined:

AOCM 14.1 – Owner Meeting

AOCM 14.2 – Offer

AOCM 14.3 – Closing Meeting

AOCM 14.1 – Owner Meeting

A. Policy

The application must be approved for the Owner Meeting by Luzerne County OCD prior to ordering an appointment with the Property Owner.

The property owner will attend the appointment.

The municipal agent will review the documentation with the property owner, and the property owner will sign as required.

B. Required Documentation

Duplication of Benefit Worksheet

Individual Property Hazardous Materials Survey

Statement of Voluntary Transaction

Program Eligibility Certification

Household Demographics Statement

C. Procedures

The municipal agent will review all required documentation with the property owner and verify that the documentation is executed by the property owner.

The municipal agent will secure municipal representative signatures, which may include documents signed by municipal agent and forward to Luzerne County OCD for final signature.

LC OCD will maintain Owner executed documents in project file.

AOCM 14.2 – Offer

A. Policy

The application must be approved for an Offer by Luzerne County OCD prior to ordering an appointment with the Property Owner.

The property owner will attend the Offer appointment.

The municipal agent will review the Offer documentation with the property owner, and the property owner will sign as required.

B. Required Documentation

Offer package

Duplication of Benefit Worksheet

Offer Letter

Subrogation Agreement

IRS W-9

Personal Property Inspection

C. Procedures

The closing agent will determine if the property owner has any liens on the damaged property and if so they will obtain a Payoff amount from the lender prior to the closing appointment.

A municipal agent will notify the OCD to schedule a closing appointment.

The municipal agent will review all required documentation with the property owner and verify that the documentation is executed by the property owner.

The municipal agent will secure municipal representative signatures, which may include documents signed by municipal agent and

forward to Luzerne County OCD for final signature.

LC OCD will maintain executed Offer documents in project file.

AOCM 14.3 – Closing Meeting

A. Policy

The application must be approved for Closing by Luzerne County OCD prior to ordering an appointment with the Property Owner.

The property owner will attend the Closing appointment with the municipal agent.

The closing agent will review the Closing documentation with the property owner, and the property owner will sign as required.

B. Required Documentation

Closing package

Notice of Closing

Model Deed

Deed Restriction

Seller's or Mortgagor's Affidavit (title agent)

Personal Property Inspection

Request for Payment Certification, Draw Request

C. Procedures

The closing agent will determine if the property owner has any liens on the damaged property and if so they will obtain a Payoff amount from the lender prior to the closing appointment.

OCD will notify the closing agent to schedule a closing appointment.

The closing agent will verify the property owner provided photo identification.

The closing agent will review all required documentation with the property owner and verify that the documentation is executed by the property owner.

The closing agent will secure municipal representative signatures.

Executed Closing documents are taken by the Closing Agent for recording by the County Clerk.

The closing agent will provide OCD a copy of all executed documents and send originals to municipality.

SECTION 15 - DEMOLITION & CLEARANCE

BD 15.0 – Policy Outline

The following Policies and Procedures will be defined:

BD 15.1 – Demolition

BD 15.2 – Clearance

BD 15.1 – Demolition

A. Policy

Demolition of improvements must be conducted pursuant to the property being dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices.

Cost of demolition is eligible for reimbursement if conducted by the municipal applicant following acquisition. If demolition was conducted by the Owner applicant prior to acquisition, costs net of duplication of benefit review are eligible for reimbursement.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Statement of policy only, no procedure required.

BD 15.2 – Clearance Testing

A. Policy

Clearance testing must be conducted to the property being dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices.

Cost of clearance testing is eligible for reimbursement if conducted by the municipal applicant following acquisition. If clearance testing was conducted by the owner applicant prior to acquisition, costs net of duplication of benefit review are eligible for reimbursement.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Statement of policy only, no procedure required.

SECTION 16 – SUBROGATION, RECAPTURE & PROGRAM INCOME

SR 16.0 – Policy Outline

The following Policies and Procedures will be defined:

SR 16.1 – Subrogation

A subrogation agreement is executed between the municipality (Sub-Recipient) and the homeowner (Recipient) so that should a Recipient (or any entity holding a lien on the Structure, except to the extent required by superior loan documents) hereafter receives any insurance payment or disaster relief or reimbursement funds for physical damage to the Structure (not including proceeds received to cover contents), Recipient agrees to promptly pay such amounts to the Sub-recipient if Recipient received grant proceeds under the Program in an amount greater than the amount Recipient would have received if such insurance and/or disaster relief or reimbursement payment had been considered in the calculation of Recipient's award. Once the Sub-recipient has recovered an amount equal to the grant proceeds paid to Recipient, the Sub-recipient will reassign to Recipient any rights assigned to the Sub-recipient pursuant to this Agreement.

SR 16.2 – Recapture of Subrogated Benefits

In order to ensure that the OCD is able to fulfill its contractual obligations to HUD, the OCD requires all applicants to sign a Subrogation Agreement, which stipulates the potential penalties if the applicant is found not to have fulfilled their obligations. The OCD has established quality control procedures to monitor operations and to guard against fraud or unintentional violations of program requirements. If a program violation is identified, the County will recapture funds in accordance with its recapture procedure.

SR 16.3 – Program Income

Any income resulting from the implementation of any approved program activity shall be returned to the OCD. Upon request, the OCD may grant permission for the use of such income for another eligible program activity. All requirements placed on the expenditures of CDBG-DR funds shall be applied to the expenditure of such income.

SECTION 17 – RECORDS RETENTION

RR 17.0 – Policy Outline

Records will be maintained to document compliance with Program requirements, and federal, state, and local regulations.

Records will be maintained in accordance with 24 CFR 570.506 which states they must be maintained for a period of five (5) years following the contract closure.

The following Policies and Procedures will be defined:

RR 17.1 – Audit Trail

RR 17.2 – Types of Files and Content

RR 17.1 – Audit Trail

A. Policy

The combination of Management Information System and accounting software provides immediate tracking of Program documentation, including but not limited to applicant notification, eligibility verification documentation, financial funds disbursement documentation to ensure data security and Program oversight to create a clear audit trail of the Program.

All applicant and program data will be retained for at least 5 years as required by the contract and Federal regulations.

Document retention, to provide a physical record of activities so that documentation is accessible for audit purposes.

Documentation standards allow for Program activities to be traced so that any possible audit issues are resolved.

In order to protect all personal information, data security measures will be in place, such as hardware and software data security protocols and physical security for hard copy files.

B. Required Documentation

File Activity Sheet

C. Procedures

PROGRAM will conduct security reviews and an analysis and testing of system controls to ensure that program records and information are safely maintained and protected.

PROGRAM will train all Program staff on document management and record retention in order to maintain the integrity of Program documentation.

OCD will maintain a hard copy of all forms listed on the *File Activity Sheet*

RR 17.2 – Types of Files and Content

A. Policy

To ensure Program requirements are met, the following file structure identifies key files and the required supporting documentation.

B. Required Documentation

Program Files – A permanent set of files containing documentation of the overall operation of the Program contract, including the policies and procedures, contract, and financial records. Examples include but are not limited to the following:

Citizen Participation

- Notice and minutes of public hearings
- Written complaints and responses
- Documentation of actions taken to involve all citizens in implementing the project
- Records demonstrating that each activity undertaken meets one of the National Objectives of the Program
- Records documenting compliance with financial standards, as required by 24 CFR 570.502
- Records required to document the acquisition, improvement, and/or use of disposition of real property acquired or improved with CDBG assistance
- Records documenting compliance with the fair housing and equal opportunity components of the CDBG program
- Documentation necessary to comply with 24 CFR Part 570

Procurement and Contract Management

- Procurement policies and procedures
- Listings Section 3 firms, if applicable
- Executed contracts with service providers and building contractors
- Copies of RFPs and IFBs
- Documentation that unsuccessful bidders were notified in writing
- Demolition bid(s) and contract documentation
- Contractor and sub-contractor certifications

Financial Management

- Draw request documentation
- Invoices
- Contracts

Application Activity Files – A permanent set of files containing all documentation specific to each individual application Program funded:

- Activity undertaken
- Demographic data
- Program eligibility verification documentation
- LMI verification

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- Application
- Application supporting documentation
- Third party provided information including duplication of benefit
- Inspection Reports
- Closing transaction record
- Notarized lien waivers for contractors, sub-contractors, suppliers, as applicable
- Site Specific Checklist

Environmental Review Record (ERR) – A permanent set of files containing all documentation pertaining to the environmental review compliance procedures conducted and environmental clearance documents.

- Environmental Compliance Documentation
- Tiering Strategy
- Agency Consultation
- Statutory Checklist
- Floodplain/Wetland Notices
- Public noticing including the Notice of Intent (NOI) and Request to Release of Funds (RROF)

Financial Management Record – Records management for funds distribution is provided through the OCD accounting software. The software ensures that financial transactions are tracked and reconciled; financial records are created and reported, and clear audit trails are available.

C. Procedures

Quality assurance measures will be in place to assure documents are recorded and retained as outlined in the policy.

SECTION 18 - DISPUTE RESOLUTION

DR 18.0 – Policy Outline

Dispute Resolution processes have been set-up for use by the OCD when addressing applicant complaints regarding the program as well disputes between contractors and applicants.

If the applicant believes that the program's determination of their funding award calculation or eligibility status is incorrect, the applicant can request an appeal in writing to the Luzerne County OCD. If the response to the appeal is not satisfactory to the applicant, the applicant may appeal to the Department of Housing and Urban Development.

The following Policies and Procedures will be defined:

DR 18.1 – Complaints

DR 18.2 – Filing an Appeal with Luzerne County OCD

DR 18.3 – Filing an Appeal with the Department of Housing and Urban Development

DR 18.1 – Complaints

A. Policy Details

Complaints are not the same as appeals. An appeal is a request for reconsideration of an OCD decision regarding a specific application, made by the applicant.

Complaints can either be informal or formal. **Informal Complaint:** The applicant, or any party to the program, makes a verbal statement. At the time of the complaint, the person voicing the complaint should be asked to formalize their complaint and return it to the OCD in order to receive a response.

Formal Complaint: The applicant submits a complaint in writing. Formal complaints must be responded to in writing. A Complaint Tracking System will track all submitted complaints.

A complaint, as recognized by this process, is defined as an individual or organization’s allegation of a violation of:

- Community Development Act of 1974, as amended;
- Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act;
- CDBG Disaster regulations;

The person or organization filing a complaint will be free from restraint, coercion, discrimination or reprisal. Complaints are not considered as reflecting unfavorably on either the complainant or management, but are to be considered the expression of a lawful right.

The Complaint and Investigation Procedures shall be posted to the Program website.

B. Required Documentation

Applicant or third party complaint

Notice of Complaint Received

C. Procedures

Applicants should exhaust all attempts to resolve complaints through the municipality complaint process prior to initiating a complaint with Luzerne County OCD. If the applicant is dissatisfied with the municipality’s response then a complaint can be submitted to Luzerne County OCD in the manner described below.

The complainant must file a written signed complaint including his/her full name and address and should describe in detail the nature of the complaint and all relevant circumstances, records and witnesses with the Luzerne County Office of Community Development as soon as they become aware of the alleged violation.

Upon receipt of the complaint by Luzerne County OCD, the complainant will be provided, by registered mail, written notification that the complaint has been received and the timetable under which it will be processed. The complainant may request a hearing within 45 days of the receipt of the complaint by Luzerne County OCD.

The OCD shall review thoroughly all files and records and consistently apply rules and regulations governing the DRB and may obtain any further information by request, investigation, or research to insure a fair and full review of the complainant in an attempt to reach an informal resolution of the complaint prior to a hearing.

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The OCD, in making a determination about the complaint, shall inform the complainant about the factual and legal basis for the decision and relief, if any, to which the complainant is entitled and how this is to be achieved within 20 working days after the filing of the complaint.

LCOCD maintains individual files for all complaints which shall contain complete records, correspondence, notices, minutes, references, and other materials related to receipt, review, decision, and final outcome of a complaint. These files shall be available for review by HUD, or other Federal officials and shall be introduced as permanent records for any court proceedings.

The entire complaint process must be completed within 90 calendar days of the receipt of the complaint by Luzerne County OCD. Grantee Contact:

Luzerne County Office of community Development (LCOCD)

54 West Union Street

Wilkes-Barre, PA 18701

Phone: (570) 824-7214

Fax: (570) 829-2910

Complaints not covered by this procedure include:

Complaints alleging discrimination based on race, color, national origin, age, sex, religion, political affiliation or belief, retaliation, and citizenship are not covered by this procedure. Such complaints must be filed in writing within 180 days from the date of the alleged discrimination. The complaint must be filed with

LCOCD

54 West Union Street

Wilkes-Barre, PA 18701

Phone: (570) 824-7214

Fax: (570) 829-2910

Complaints that do not allege a violation of the Acts and regulations cited above.

DR 18.2 – Filing an Appeal with Luzerne County OCD

A. Policy

The applicant must appeal any issues regarding their award within 45 days of the date on the face of the offer letter.

All appeals must be requested in writing in order to be considered.

After 45 days, the status is considered final and can no longer be reviewed.

OCD will research all information related to an application only as it relates to current policies governing DRB award outcomes.

OCD will not change policies or laws set forth by the Commonwealth of Pennsylvania or the federal government.

OCD's final decision will be sent to the applicant in an Appeals Decision letter.

The applicant may file a grievance with HUD if the final decision does not address the appeal to their satisfaction.

B. Required Documentation

Applicant appeal letter

Supporting documentation regarding the appeal

Appeals Decision

C. Procedures

Upon Receipt of appeal, Luzerne County OCD will log the appeal and date of receipt.

Luzerne County OCD will then review for completeness and accuracy.

The OCD will work with the applicant to collect any additional information necessary to determine an outcome. OCD will review the file and fill out a check list for items reviewed.

OCD will make a determination that the application was properly processed or will note any changes or corrections to the file within 10 days of receipt. During the review, the applicant may or may not be contacted for further information. A determination will be made by the OCD and the applicant will be sent a letter with the appeal determination within 45 days of initial receipt.

DR 18.3 – Filing an Appeal with the Department of Housing and Urban Development

A. Policy

After the applicant receives their Appeal Decision Letter from Luzerne County OCD, they have two options:

Accept the determination within 30 days of receiving the Appeal Decision Letter

OR

Request a review of the determination by HUD as described in the Appeal Decision Letter.

The applicant must request a HUD review within 30 days of the date of the Appeals Decision Letter.

If the applicant requests a HUD review, the OCD will forward the request to HUD.

The applicant may at their own option, send an appeal directly to HUD.

B. Required Documentation

Appeal Decision Letter

C. Procedures

Statement of Policy only; no verification procedures required.

SECTION 19 – PAYMENT OF INVOICES

PI 19.0 – Policy Outline

Upon reaching pre-specified milestone during the buyout of applicants' homes, the municipality will submit an invoice for work performed to date. Also, DRB subcontractors and vendors will submit invoices for review, approval, and payment. These will have to be verified, and the delivery of the service or goods documented.

The following Policies and Procedures will be defined:

PI 19.1 Acquisition Schedule and Amounts

PI 19.2 Processing of Vendor Invoices

PI 19.1 – Acquisition Schedule and Amounts

A. Policy

Municipalities may submit invoices for costs incurred for project administration and delivery not more than once per month, following an executed grant agreement. Owner applicants may receive award at the time of Initial Closing. Municipality must submit settlement statement from closing agent one week in advance of Initial Closing, in order for funds to be available.

B. Required Documentation

Municipality Pay Request/Inspection Report

Settlement Statement from Closing Agent

Progress payment authorization

Lien Waivers

Affidavit of Bills Paid

Subcontractor Lien Waiver Affidavit

C. Procedures

The municipality prepares a pay request.

Municipality to confirm that all appropriate paperwork and inspections are complete for the pay request in question.

A file with payment requests is compiled and provided to Luzerne County OCD for disbursement.

PI 19.2 – Processing Vendor Invoices

A. Policy:

PROGRAM vendors will submit invoices for review, approval, and payment. Invoices will be verified, and the delivery of the service or goods documented. The invoices for services provided to or for applicants must list the applicant information, contract reference number, date service was delivered and a detailed description of the charges for which they are requesting reimbursement.

B. Required Documentation

Invoices

Purchase Orders

C. Procedures:

Payment on all invoices will be reviewed, processed and payment made within existing PROGRAM accounts payable processing requirements. Additional procedures may be applied and are included below.

Copies of invoices are sent to the appropriate managers for review and approval.

Invoices will be coded for client number, project number, contract task order, and task code as determined by the Budget.

Invoices are then checked against purchase orders, packing slips, and/or purchase agreements to verify the accuracy and ensure that the proper items were received, the quantities are correct and the price is correct.

The invoice then needs to be approved by the Program Manager or Financial Manager. After receiving this approval, the invoice will be entered into the accounting system by financial staff.

PROGRAM normal payment terms are Net 30 (30 days from the Invoice Date).

SECTION 20 – HUD SECTION 3 HIRING PRACTICES

S3HP 20.0 – Policy Outline

Counties that distribute covered funds to units of local government, nonprofit organizations, or other subrecipients, must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients that receive covered funding. Luzerne County must inform its subrecipients about the requirements of Section 3; assist them and their contractors with achieving compliance; and monitor their performance with respect to the objectives and requirements of Section 3.

The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

The requirements of Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

The following Policies and Procedures will be defined:

S3HP 20.1 Luzerne County Responsibilities

S3HP 20.2 Definition of Section 3 Residents and Business Concerns

S3HP 20.1 – Section 3 Economic Opportunities

A. Policy

Luzerne County (and their covered contractors, subcontractors, or subrecipients) are required to comply with the requirements of Section 3 for *new* employment, training, or contracting opportunities resulting from the expenditure of covered funding.

B. Required Documentation

Form HUD-60002

C. Procedures:

Notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;

Notify potential contractors working on Section 3 covered projects of their responsibilities;

Incorporate the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];

Facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;

Assist and actively cooperate with the HUD in making contractors and subcontractors comply;

Refrain from entering into contracts with contractors that are in violation of Section 3 regulations;

Document actions taken to comply with Section 3; and

Submit Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

S3HP 20.2 – Definition of Section 3 Residents and Business Concerns

A. Policy

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or subrecipient (if requested) verifying that they meet the definitions provided below.

Section 3 Residents Are:

- Residents of Public and Indian Housing; or
- Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income does not exceed the local income criteria of low- or very low-income.

Section 3 Business Concerns Are One of the Following:

- Businesses that are 51 percent or more owned by Section 3 residents;
- Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
- Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

B. Required Documentation

Proof of residency in an income restricted affordable housing property;

Proof of federal subsidies for housing, food stamps, or unemployment benefits; and

Payroll data or other relevant business information

C. Procedures:

OCD provides *Section 3 Certification* to all entities or individuals receiving payment for goods or services from CDBG-DR funding.

OCD summarizes all *Section 3 Certifications* to complete HUD-60002.

SECTION 21 – PROGRAM PROCUREMENT

PP 21.0 – Policy Outline

The Program makes every effort to secure the lowest and best prices for goods and services to deliver the Program.

The following Policies and Procedures will be defined:

PP 21.1 – Minority Business Enterprises/Women Business Enterprises (MBE/WBE)

PP 21.1 – Minority Business Enterprises and Women Business Enterprises (MBE/WBE)

A. Policy:

When required by the contract with the client or by Federal regulation the following procurement policies shall be followed. For all purchases, efforts must be made to get the lowest and best prices. Purchaser needs to select the lowest responsive and responsible source.

Selection and use of local vendors, the use of Minority Business Enterprises/Women Business Enterprises (MBE/WBE) is recommended where possible.

Assuring that small businesses and MBE/WBEs are solicited whenever they are potential sources.

Establishing delivery schedules that will encourage small businesses and MBE/WBEs to participate.

B. Required Documentation:

Tear sheets of advertisements requesting proposals or qualifications and affidavit of publication

A listing of firms that were sent the RFP\RFQ directly

A copy of the RFP\RFQ, including a description of the method used to select professional services

Proposals and responses received

Written evaluation of statements/responses received

Written statement explaining the basis for selection

Written evidence that proposals/costs were determined to be reasonable

C. Procedures:

Statement of Policy; no procedures required.

SECTION 22 - QUALITY ASSURANCE & QUALITY CONTROL

QAQC 22.0 – Policy Outline

The Program requires substantial, time-tested, and effective measures to prevent fraud, ensure adherence to contractual obligations and federal, state and local laws and regulations, and ensure that quality services are provided. Fraud prevention measures will integrate with Program service areas to make sure applicants receive the appropriate award and that no duplication of services is provided.

The following Policies and Procedures will be defined:

QAQC 22.1 – Quality Assurance

QAQC 22.2 – Anti-Fraud and Quality Control

QAQC 22.1 – Quality Assurance

A. Policy

Quality assurance measures will be incorporated into all areas of the Program.

Comprehensive reviews are conducted on reports and studies consisting of completely reading the entire text for content, consistency, and sequence of presentation. References, grammar, and spelling are also to be checked. Depending upon the nature of the report or study, an editor may also be engaged to review the content and style of the report.

Tables, drawings, and calculations used in the Program are to be checked by staff other than the preparer. The checker is to mark comments on the document and return to the preparer for correction or explanation. Checker may meet with preparer to explain comments for correction.

Comprehensive reviews by Senior Management are appropriate where the Senior Management Reviewer has specialized knowledge of the subject matter.

The original author is responsible for making corrections from the comprehensive review and back checking the corrections before final signoff by the Senior Management reviewer.

OCD will assure quality and internal controls are established to safe guard the program's compliance and support the detection and prevention of fraud and waste and mismanagement.

B. Required Documentation

Quality Assurance Reporting

C. Procedures

OCD will review measures of quality assurance.

QAQC 22.2 – Anti-Fraud and Quality Control

A. Policy

OCD will employ comprehensive measures to prevent fraud; ensure adherence to contractual obligations, federal, state, and local laws, and regulations; and ensure quality services are provided. Fraud prevention measures will be incorporated into all Program service areas to ensure applicants receive the appropriate award and that no duplication of benefit is provided. The OCD employs time-tested and effective processes previously applied to other similar federal aid distribution programs. Fraud Prevention, Compliance, and Quality Assurance operations perform in concert to integrate safeguards into the application, verification, award, and funds disbursement processes. OCD will construct a framework for testing program functions and gathering data (metrics) to monitor the primary programs early in the program development process. Quality assurance will institute quality assurance/quality control (QA/QC) processes within the programs to gather useful metrics as a tool to improve processes over time. The criteria outlined below identify the tools needed to integrate safeguards into the processes.

Assess all DRB policies and procedures from an anti-fraud, waste, and abuse perspective and embed anti-fraud procedures into policies and procedures and DRB processes.

Use data mining and data analysis tools and techniques to identify anomalies for follow-up, e.g., multiple applicants at a single address, invalid social security numbers (inappropriate range for estimated age of applicant or belonging to a deceased person), and property damage estimates following an inappropriate pattern.

Analyze paper application files for anomalies, through data analytics supplemented by judgmental sampling.

Liaise with federal, state, and local law enforcement authorities.

Conduct enterprise risk assessment.

Assess and test selected internal controls, including IT controls.

B. Required Documentation

Statement of Policy, no documentation required.

C. Procedures

OCD will continue to test and analyze for quality control throughout the Program.

SECTION 23 - REPORTING AND METRICS

RPT 23.0 – Policy Outline

Program metrics are prime indicators of program health and are gathered for use by Luzerne County management and staff to adjust program parameters and ensure high-quality services.

The following Policies and Procedures will be defined:

RPT 23.1 – Reporting Metrics to Luzerne County

RPT 23.2 – Program Management Reports

RPT 23.1 –Reporting Metrics to Luzerne County

A. Policy

Contract performance measures as required by HUD will be provided by the municipal agent to Luzerne County within 10 days of the end of the metric requirement. Performance measures are point in time results that occur and are reported at the end of a month, but are not necessarily included on recurring monthly reports.

B. Required Documentation

HUD reporting requirements will be submitted by Luzerne County.

C. Procedures

Program staff will generate reports to capture information as of the reporting period.

RPT 23.2 – Program Management Reports

A. Policy

Reports are generated to ensure quality services and identify opportunities for program and process improvement.

B. Required Documentation

Statement of Policy only; no documentation required.

C. Procedures

Manager or management member will define the purpose of the report, the nature of the results to be reported, who if other than the requestor is responsible for use of the report, the sources of the report's result and the frequency of the report to be generated.

Requests for changes to reports are conducted in the same manner as requesting a new report.

SECTION 24 – MONITORING AND COMPLIANCE

MC 24.0 – Policy Outline

Program metrics are prime indicators of program health and are gathered for use by Luzerne County management and staff to adjust program parameters and ensure high-quality services.

The following Policies and Procedures will be defined:

MC 24.1 – Monitoring

MC 24.2 – Compliance

MC 24.3 – Recapture

MC 24.1 – Monitoring

A. Policy

MONITORING OBJECTIVES

To determine whether the Program Sub-recipient’s performance meets the CDBG-DR Program requirements:

1. Is a Sub-recipient carrying out its Community Development Program as described in the application for CDBG-DR and the Agreement?
2. Is a Sub-recipient carrying out its activities in a timely manner, in accordance with the schedule in the Agreement?
3. Is a Sub-recipient charging costs to the project which are eligible under applicable laws and CDBG regulations and reasonable for the services delivered?
4. Does the Sub-recipient have continuing capacity to carry out the approved project?
5. Are there potential problem areas and if so, assist the sub-recipient in complying with applicable laws and regulations.
6. Assist Sub-recipients in resolving compliance problems through discussion, negotiation, and provision of technical assistance and training.
7. Provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by Sub-recipients and not repeated.
8. Ensure that required records are maintained to demonstrate compliance with applicable regulations.
9. Ensure that the Sub-recipient continues to maintain property obtained through the Buyout Program as open space through an annual certification statement.

B. Procedures

Site Monitoring

A. Preparation for visit:

1. Prior to an on site monitoring visit, a review of in-house documents should be taken
 - a. Sub-recipient’s Project file
 - b. Monthly Invoices and direct benefit data
 - c. Other relevant documents

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2. In determining which sub-recipients should be reviewed, the following criteria will be used:

- ❖ Projects with known problems
- ❖ Projects not previously monitored
- ❖ Projects with large grant amounts
- ❖ Projects with changes in conditions

3. Once a Sub-recipient has been selected for on site review, they will be contacted for proposed dates. A letter is sent confirming the dates and the purposes of the monitoring visit and what type of documents will be reviewed. The Sub-recipient should be allowed at least two (2) weeks notice.

B. Site Visit:

1. The County staff, when first arriving at the Sub-recipients office, should review the purpose of the visit and ask the Sub-recipient to provide him/her with a place where records can be reviewed. This place should be sufficiently close to the designated officials so questions can be answered during the review.
2. The applicable exhibits of HUD handbook 6509.2 REV-5, as from time to time, may be revised, will be used when conducting on-site monitoring of Sub-recipients.
3. The monitor will have an exit conference with the Sub-recipient prior to returning to the Office to advise them of finding, concerns, etc.

C. Monitoring Report:

A written report is to be prepared at the conclusion of the monitoring visit. The report should:

1. Clearly explain the scope and objective of the review.
2. Be clearly written, concise, and clear.
3. Present factual matters accurately, completely, and fairly.
4. Present findings and conclusions objectively and in language as clear and simple as the matter permits.
5. Include only factual information, findings, and conclusions that are adequately supported by evidence sufficient to demonstrate or prove, when called upon, the basis for the matters reported and their correctness and reasonableness. Detailed supporting information should be included in the report to the extent necessary to make a convincing presentation.
6. Include recommendations for specific actions to correct problem areas noted in the review
7. Place primary emphasis on improvement rather than on criticism. Critical comments should be placed in balanced perspective, recognizing any unusual difficulties or circumstances faced by the Sub-recipient
8. Identify and explain issues and questions needing further study and consideration
9. Include recognition of noteworthy accomplishments.

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10. State whether any significant information has been omitted because of the Sub-recipient's inability to furnish records.
11. Indicate what specific follow-up action will be required either of the Sub-recipient or of County staff.

D. Review Letter

The letter will identify the following:

1. positive observations
2. follow-up and corrective actions to be taken by Sub-recipient
3. needed technical assistance

MC 24.2 - Compliance

A. Policy

Monitoring of conformance to the Deed Restriction recorded against the properties at the time of acquisition, is conducted. It is the responsibility of the Sub-recipient to report status of properties converted to open space.

B. Required Documentation

Compliance Report

Deed Restriction

Recapture Agreement

C. Procedures

Sub-recipients will submit *Compliance Report* documenting that the Properties are in conformance with the agreements as set forth by the Deed Restriction, Recapture Agreement and contract documents.

MC 24.3 - Recapture

A. Policy

Subrecipients must conform to the terms and conditions of the subsidy, Failure to do so by omission, fraud, or willful non-compliance may result in recapture of funds provided for the Program purpose. The County and the Sub-Recipient enter in to a Recapture Agreement that d

B. Required Documentation

Recapture Agreement

C. Procedures

The County and the Sub-Recipient enter in to a *Recapture Agreement* that defines the recapture criteria and process, resulting from non-compliance, whether by willful or non-willful intent.

REPORTING OF POSSIBLE FRAUD OR WILLFUL NON-COMPLIANCE

If the County staff discovers evidence of possible fraud or other similar irregularities, he/she shall prepare a detailed report and cover memorandum to the Executive Director who will determine further action. The County staff should refrain from discussing the potential irregularities with the Sub-recipient's personnel.

BALANCE OF DOCUMENT INTENTIONALLY BLANK.

END OF DOCUMENT