

**PROPOSED REGULATION OF THE DIVISION OF EMERGENCY
MANAGEMENT OF THE DEPARTMENT OF PUBLIC SAFETY**

**HOMEOWNER DISASTER ASSISTANCE PROGRAM (HDAP)
Chapter 414 of NAC**

AUTHORITY: *See Chapter 432, Statutes of Nevada 2005, at pp. 1931-33 (A.B. 572).*

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HOMEOWNER DISASTER ASSISTANCE PROGRAM

I. General Provisions

A. Definitions. As used for purposes of these regulations, inclusive, unless the context otherwise requires, the words and terms defined in these regulations, inclusive, have the meanings ascribed to them.

- 1. “Applicants’ Briefing” Defined. “Applicants’ Briefing” is a meeting conducted by a representative of the Division of Emergency Management for all potential applicants of the Homeowners Disaster Assistance Program. The briefing occurs after a locally declared disaster or a federal disaster declaration, and addresses application procedures, administrative requirements, funding and program eligibility criteria.*
- 2. “Disaster” Defined. “Disaster” has the meaning ascribed to it in NRS 353.271.*
- 3. “Division” Defined. “Division” means the Division of Emergency Management of the Department of Public Safety.*
- 4. “Grant” Defined. “Grant” means an allocation of funds, from the established revolving account established in Section 5 of A.B. 572 of the 2005 Legislative Session, to an eligible applicant for the purposes set forth under the provisions of this program herein.*
- 5. “Home” Defined. “Home” means a single family dwelling that must be:*
 - a. Occupied by the homeowner; and*
 - b. A house on a foundation; or*
 - c. A mobile home either on a foundation or set on owned/rented land.*
- 6. “Homeowner” Defined. “Homeowner” means the occupant of a home who is the legal owner of the home, an immediate family member of a legal homeowner or a single family who is party to a lease option to buy agreement with the legal homeowner.*
- 7. “Immediate Family Member” Defined. “Immediate Family Member” means the parents, siblings or children of a legal homeowner.*
- 8. “Local Declaration” Defined. “Local Declaration” is an official document adopted by the appropriate political subdivision decision making body, declaring that an emergency exists within the jurisdiction; stating that all available local resources and government assets, including monetary, physical and personnel resources have been exhausted due to the emergency and also request a disaster determination to be made by State Division of Emergency Management with this local action.*
- 9. “Reimbursement” Defined. “Reimbursement” means payment from the Division to an occupant homeowner of a home damaged as a result of a natural, technological or man-made disaster for repairs made to that home as shown by actual receipts or any*

other form which indicates that the repairs have been made and payment from this program is due to the occupant homeowner.

- 10. "Repair Project" defined. "Repair Project" means any effort to provide a satisfactory remedy to the damage of an owned and occupied home as the result of a natural, technological, or man-made disaster.*
- 11. "Replacement Project" defined. "Replacement Project" means an effort to provide assistance to an occupant homeowner whose home has been determined to be uninhabitable and is beyond repair.*

II. Duties of the Division.

- 1. Pursuant to law, the Division of Emergency Management has created an account, per A.B. 572 of the 2005 Legislative Session, not to exceed \$5,000,000, for the purpose of grants to persons who are homeowners and occupy homes that have been damaged or destroyed in a disaster until such time as the account becomes exhausted.*
- 2. The Division shall, within 60 days following a local declaration or a federal disaster declaration, when applicable, conduct an applicant's briefing in the affected disaster areas which will provide instruction for the process of applying for assistance from the account referred to in Section 1 above.*
- 3. Grants from this account will be provided for repair and replacement projects up to the maximum amounts that are allowable for each project under the Federal Emergency Management Agency Individual Household Program. However this program does not cover the items found under Section IX, Subsection 4 of this regulation.*
- 4. Money in the account will be used for:*
 - a) Actual expenses incurred by an occupant homeowner for the repair of a home; or*
 - b) An amount up to the maximum amount allowable under Subsection 3 for the replacement of a home destroyed in a disaster; or*
 - c) Expenses incurred by the Division for administering such grants.*
- 5. Upon the receipt of an application(s) for assistance from this account, the Division will:*
 - a) Confirm and obtain a copy of the local declaration(s) of emergency or disaster.*
 - b) Verify that the application meets provisions of Section III herein.*
 - c) Review and verify an applicant's and/or legal homeowner's insurance policy benefits, when applicable.*
 - d) Conduct an interview with the applicant to determine completeness of the application and identify any deficiencies. If any deficiencies exist, the Division shall:*
 - 1) Provide a letter to the applicant identifying the deficiencies;*
 - 2) Advise the applicant of actions necessary to correct the deficiencies.*

6. *Issue a notice of grant award to the applicant and provide the program requirements for an approved application or issue a letter of denial to the applicant including the reasons for the denial. In addition, the grant award or denial letter will include a notice of the applicant's right to appeal the decision.*

III. Application for assistance: General requirements.

1. *A person may submit an application for assistance from this program to the Division for the repair of damages to his or her home or for the allowable replacement allocation for a home destroyed in a disaster.*
2. *A person's application or written notice of intent to apply must be received by the Division within 60 days following the beginning of a locally declared disaster or within 60 days following the State's receipt of a federal disaster declaration, when applicable. If an applicant elects to submit a letter of intent in lieu of an application, the applicant must submit a completed application within 90 days following the beginning of a locally declared disaster or a federal disaster declaration, when applicable. On a case-by-case basis, the Division will consider requests for a 30 day extension beyond the 60 day application submission date, if there are circumstances beyond the applicant's control. Extensions must be submitted in writing by the applicant detailing the reason for the delay and be approved by the Division.*
3. *Applications may only be submitted for those costs which are determined to exceed the applicant's available personal resources, other assistance programs or homeowners insurance policies, but may include a request for reimbursement of any homeowners insurance deductibles already applied to the applicant's loss.*
4. *The application must include, at a minimum, the following:*
 - a) *The date(s) the damages or loss occurred; and*
 - b) *A minimum of three estimates of the costs for repair of the home by a Nevada Licensed Contractor or the appraised value of the home if destroyed in the disaster. (If the required estimates cannot be reasonably obtained, the occupant homeowner may request an exception to this requirement through submission of a written justification and subsequent approval by the Division. If a disaster has been federally declared, the occupant homeowner may elect to submit the estimates determined by the Federal Emergency Management Agency and/or Small Business Administration in lieu of obtaining the three required estimates); and*
 - c) *A certification of homeowner's insurance benefits by the homeowner's insurance carrier, if the home is currently covered under a homeowner's insurance policy; and*
 - d) *An applicant's affidavit that all other available funding sources have been or will be depleted in satisfying the necessary living expenses of the homeowner's family; and*

- e) *Proof of ownership of the home or lease option to buy documentation, if applicable; and*
- f) *Two forms of personal identification of the occupant homeowner, which must include at least one form of picture identification; and*
- g) *Notarized “Statement of Homeowner Authorization for Repair” if home is under a lease option to buy, when applicable; and*
- h) *Proof of and detailed information regarding assistance obtained from the Federal Emergency Management Agency, Individual Assistance program and/or the Small Business Administration program ineligibility, as applicable.*

IV. Grants and expenditure of money from the account.

1. *Upon receipt of and the Division’s review and approval of an application(s), grants from this account will be made based upon available money in the account with the following considerations:*
 - a) *Total amount of all applications received; and*
 - b) *Total amount of money in the account available for distribution;*
2. *In the event that the total number of applications received exceeds the money available in the account, the Division, in the interest of fair and equitable distribution, may distribute the funds based upon a formula derived by the percentage each eligible applicant represents of the total available funding which represents the total amount of money available from the account divided by the number of approved applicants, not to exceed the maximum grant amount as established in Section II (3) for each project.*
3. *Any money granted from this account for a repair project will primarily be done on a reimbursement basis only. See Section VI (1) below.*
4. *Any grant made from this account for a replacement project will be made immediately upon approval of the application for a home as defined in Section I of the General Provisions definition of “home” of these regulations. Any money granted from this account for a replacement project for a home also defined in Section I of the previously-referenced General Provisions section and will be accomplished upon receipt of the National Automobile Dealers Association (N.A.D.A.) book value for manufactured homes and payment will be made of that value, not to exceed the maximum amount allowable for a replacement project.*

V. Completion of repair projects.

1. *Each repair project resulting from an approved application must be completed within a period of one year from the date of the grant award, unless the following occurs:*
 - a) *Delays due to extreme weather;*
 - b) *Delays due to lack of availability of necessary construction materials; or*
 - c) *Other construction related delays due to unforeseen circumstances.*

2. *If it is anticipated that an approved project will exceed the required one year period, the occupant homeowner must submit a written request for an extension to the Division which must include:*
 - a) *A detailed explanation by the occupant homeowner of the cause(s) for the anticipated delay which will exceed the one year period; or*
 - b) *A statement from a contractor(s) as to the cause for the delay(s); and*
 - c) *The amount of additional time needed to complete the project.*
3. *On a case-by-case basis, the Division will consider requests for extensions and reserves the right to have the project inspected at any time during the period with a minimum of five working days notice to the occupant homeowner or contractor.*
4. *All expenditures for the project are subject to final approval of the Division.*
5. *Upon completion of a repair project, and a request from the occupant homeowner for reimbursement from the account, in order for final review and approval of the project by the Division, the occupant homeowner must submit original documents of all contracts, receipts and/or invoices as well as any cancelled checks and additional supporting documentation for the project, as requested by the Division.*
6. *Upon review and verification of submitted documentation as is required in subsection 5 of this Section, the division will review and approve (or disapprove) the expenditures according to the requirements for eligibility for reimbursement from the account and the general restrictions, Section IX, of this program.*
7. *If an applicant has been approved for a grant in an amount that is less than the maximum amount allowable for a repair project, and incurs costs in excess of the approved award amount, the applicant may submit a request for supplemental funding to the Division up to the maximum cumulative amount allowable. The Division may approve a request for supplemental funding based upon verification of eligibility and availability of funds. All supplemental funds awarded upon approval, are subject to the same provisions of all awards made from this account for repair projects.*

VI. Requests for advance payments from account

1. *Except as otherwise provided in Subsections 2 and 3 herein, all payments from the account for repair projects will be made on a reimbursement basis only.*
2. *An advance of funding for a repair project may be granted by the Division if:*
 - a) *The occupant homeowner is unable to begin the project without an advance of funding for a contractor; or*
 - b) *The contractor requires that a deposit be placed on the project which must be provided to the Division in writing.*
3. *An advance of funding will be provided at a maximum of 25 percent of a contractor's total estimated cost and periodic advances may be provided based upon a percentage of*

the project that is completed and the submission of documentation evidencing all costs incurred to the date of the submission.

- 4. Payments for replacement projects will be made in full upon approval of an application and the issuance of the grant award, according to the provisions of these regulations.*

VII. Requests for reimbursement from account.

- 1. Upon a request by a homeowner for reimbursement from the account, the occupant homeowner must include with the request copies of all contracts, receipts, invoices and/or cancelled checks as well as any additional supporting documentation for the project, as requested by the Division, in order to facilitate the review and approval by the Division.*
- 2. An occupant homeowner's final request for reimbursement must be received by the Division no later than 60 days following the completion of the project.*
- 3. Upon receipt of a request for reimbursement, the Division will:*
 - a) Review for eligibility the project costs in accordance with the approved applications and the intent for use of the grant funds;*
 - b) Require documentation evidencing all costs claimed on the request for reimbursement;*
 - c) Verify that requested costs are within the amount approved for the project; and*
 - d) Process any request for reimbursement approved by the Division for payment to the homeowner.*
- 4. Failure to comply with subsections 1 and 2 may result in a denial of reimbursement by the Division.*

VIII. Homeowner to reimburse account from other funds received.

- 1. A homeowner receiving money from this program shall, within 30 days of receipt, reimburse this account from any money the applicant receives from other sources intended for the same purpose to include, but is not limited to:*
 - a) Any federal, state or local government agency or private source funds awarded for emergency or disaster assistance;*
 - b) Any proceeds from an insurance policy which covers the losses approved for funding within the provisions of this program; or*
 - c) A judgment from a court of law against a tortfeasor who may have caused the damages anticipated by this program.*

The provisions of this subsection shall include all assistance provided for a home, whether received by the homeowner, an immediate family member or individual under a lease option to buy agreement. It shall be the responsibility of the applicant, if other than the legal homeowner, to advise the legal homeowner of this section and the legal homeowner assumes full responsibility as related to this section.

2. *The Division does not waive its rights to subrogation in the event that the legal homeowner's insurance provider subsequently reimburses any or all costs associated with the recovery or repair project as approved under the provisions of this program.*

IX. General Restrictions on this program.

1. *All application deficiencies identified in the interview process, pursuant to Section II (5) (e) of these regulations, must be corrected within 30 days following the date of the letter from the Division identifying any deficiencies or the application will be denied.*
2. *Upon an occupant homeowner's receipt of a grant through the Homeowner's Disaster Assistance Program, the legal homeowner will be required to obtain and maintain a policy of insurance which will provide coverage for any future disasters of a similar or like nature, such as flood insurance purchased from the National Flood Insurance Program, in order to be eligible for any future assistance from this program.*
3. *Money in this account may only be used when a local declaration of emergency or disaster exists and shall not be used in lieu of other available federal disaster assistance programs, when applicable.*
4. *Funds from this account are intended only for the repair or replacement of the primary dwelling and shall exceed the amounts in Section II, Subsection 3 of this regulation and shall not be used for costs associated with the repair or replacement of:*
 - a) Outbuildings;*
 - b) Pools, Jacuzzis, Spas or Saunas;*
 - c) Decks;*
 - d) Landscaping;*
 - e) Furnishings or Appliances; or*
 - f) Personal property (i.e., Clothing, Jewelry, Collectibles, etc.).*
5. *Funds from this account are further intended only for use in restoring a home to its pre-disaster condition. Any home improvements, upgrades or enhancements are not eligible under this program.*

X. Misuse of money from this program.

Any person who fraudulently procures or misuses funds granted from this program will be subject to the penalties of existing law.

XI. Appeals process.

Any action by the Division which results in a determination of denial, whether in writing or otherwise, affecting the homeowner's application or requests for reimbursement or replacement may be appealed within 30 days of the date of the determination from the Division to the Nevada Department of Administration, Hearings Division, which will administer all appeals in accordance with existing laws and regulations.