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**Guam Housing and Urban Renewal Authority (GHURA)
Community Development Block Grant – Disaster Recovery (CDBG-DR)
Housing Program 1:
Owner-Occupied Rehabilitation & Reconstruction**

Guma Na Maolek
Make Homes Good

This document provides guidance and is considered binding on the Guam Housing and Urban Renewal Authority (GHURA) until it is officially amended. It does not create any new requirements or penalties for those we serve, nor does it contain any confidential information or formal rules and regulations. If you believe this document imposes new requirements or penalties, you have the right to request a formal review.

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1. INTRODUCTION

This document serves as the Program Policies and Procedures for the Guam Housing and Urban Renewal Authority (GHURA) Community Development Block Grant – Disaster Recovery (CDBG-DR) Owner-Occupied Rehabilitation and Reconstruction Housing program. These policies and procedures were developed to serve as the basis for the program and to provide detailed guidance on its implementation, ensuring compliance with all U.S. Department of Housing and Urban Development (HUD) standards and best practices.

This document also serves as a reference for property owners, applicants, and other interested parties seeking to understand the operation of the Owner-Occupied Rehabilitation and Reconstruction Housing program. Note that these policies and procedures are intended *only* to address this specific program. Each of the other recovery programs outlined in the Guam CDBG-DR Action Plan is governed by its own policies and procedures document.

In 2025, the Government of Guam was allocated CDBG-DR funds by HUD to address remaining unmet disaster recovery needs in areas impacted by Typhoon Mawar (DR-4715-GU). The total CDBG-DR allocation for Guam is \$500,825,000, as outlined in the Federal Register Vol. 90, No. 5, published January 8, 2025¹. These funds have been allocated to programs across four main components: housing, public facilities and infrastructure, economic revitalization, and mitigation. Program budgets were determined based on the Unmet Needs Assessment detailed in the Action Plan².

GHURA has allocated CDBG-DR funds to all housing related activities this record shall focus on housing program activity Owner-Occupied Rehabilitation and Reconstruction Housing program. GHURA is the agency responsible and accountable to HUD for the administration of all CDBG-DR funding.

¹ For full text of the Federal Register Notice, see: <https://www.govinfo.gov/content/pkg/FR-2025-01-08/pdf/2024-31621.pdf>

² For full text of the Guam Action Plan, see:

<https://guamcdbgdr.org/sites/default/files/GU%20DR%20Approved%20Action%20Plan.pdf>



2. PROGRAM OVERVIEW

The Owner-Occupied Rehabilitation and Reconstruction Housing program is administered by GHURA as a vital component of the CDBG-DR efforts following Typhoon Mawar. The program's primary goal is to provide essential financial assistance to eligible homeowners for the comprehensive rehabilitation of significantly damaged single-family units or the reconstruction of units that were completely destroyed by the typhoon. All households served must demonstrate a direct or indirect tie-back to the impacts of Typhoon Mawar to establish eligibility. Maximum grant awards are designed to fund the full scope of necessary construction to restore the dwelling to a safe, sanitary, and decent condition, subject to the program's established funding caps. This ensures that while the program strives for comprehensive recovery, all awards remain within the fiscal constraints and cost-reasonableness standards required for CDBG-DR compliance. Crucially, all projects must integrate robust mitigation and resilience measures.

While the awards may include funding for temporary relocation assistance under the Uniform Relocation Assistance (URA) or Optional Relocation Assistance (ORA), this benefit is strictly limited by federal law and will be calculated separately, ensuring it is not counted against the applicant's maximum CDBG-DR housing benefit cap. It is important to note that homeowners who temporarily vacate their primary residence solely for the duration of GHURA CDBG-DR-funded construction are not considered 'displaced persons' under URA regulations and are generally ineligible for mandatory URA relocation benefits. However, lawful tenants may qualify for such assistance. Please note that while not required by the URA, the program may provide optional relocation assistance to homeowners on a case-by-case basis, subject to program guidelines and available funding. (*See Uniform Relocation Act Policy*)

This CDBG-DR program is implemented through a phased application process and is specifically designed to address the needs of as many residents as possible with the available federal funding. Accordingly, assistance is prioritized for the most vulnerable applicants, particularly those who qualify as Low-to-Moderate Income (LMI) households. Due to the inherent limitations in funding and strict federal eligibility factors, the program cannot guarantee assistance to all interested applicants.



*Guma Na Maolek (Make Homes Good): Housing Program 1	
Program	Owner-Occupied Rehabilitation and Reconstruction
Amount of CDBG-DR Funds Allocated to this Program	\$90,000,000
Eligible Activities <i>Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD FR Notice Revised on 3/19/2025</i>	§5305(a)(1) - Acquisition §5305(a)(4) - Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing §5305(a)(7) - Disposition §5305(a)(11) - Relocation Payments §5305(a)(15) - Construction of Housing §5305(a)(24) - Direct Assistance for Homeownership Activities §5305(a)(26) - Lead-Based Paint Hazard Evaluation and Reduction FR Notice - New Housing Construction FR Notice - Mitigation
National Objective	Low-To-Moderate Income Benefit - Housing (LMH) Prevention and Elimination of Slum and Blight (SBA, SBC) Urgent Need
Lead Agency	GHURA - Direct Implementation through contracting with GHURA oversight
Program Description	This program is designed for homeowners to rehabilitate and reconstruct their primary residence damaged by Typhoon Mawar. Eligible projects under the program will incorporate mitigation measures resulting in a hardened permanent home. The program will be implemented by phases. Phase I prioritizes rehabilitation for LMI households whose income fall at or below 80% Area Median Income (AMI), with mitigation measures to return displaced families and prevent future displacement and sheltering. Subsequent phases will capture reconstruction activities for LMI households whose income fall at or below 80% AMI, which requires more robust planning activities and budget analysis. Subject to availability of funds, subsequent phases may follow to support rehabilitation, and reconstruction, and/or through future substantial amendments of this action plan and this activity, Guam may determine activity requirements for any new construction of owner-occupied homes with household income that fall at or below 120% AMI (to include new housing construction) GHURA will execute a direct implementation method using turnkey delivery to oversee the end-to-end development of recovery projects.
Eligibility	[S.A. No. 01 12.23.2025 Ver 2.1 Approval Clarification, March 18, 2026, clarification edits as identified] The Owner-Occupied Rehabilitation and Reconstruction Program is made available to all applicants who successfully demonstrate compliance with the following eligibility criteria: (a) Homeowners whose primary residence was damaged by Typhoon Mawar, islandwide or located within the determined MID as described in approved action plan activities. (b) Fall within the determined programs Prioritization of Beneficiaries, wherein LMH applicants shall be granted prioritization for Phase 1 - Rehabilitation, and Phase 2- Reconstruction activities, (c) Completed application with



*Guma Na Maolek (Make Homes Good): Housing Program 1	
	submission of all required documents. (d) must be a U.S. Citizen or must be a legal resident of Guam and otherwise meet SAVE legal residency status requirements in the Universal Notice and as identified in Guam's HP#1 Owner-Occupied Rehabilitation and Reconstruction (OORR) approved Policy and Procedures. Households between 80.01% AMI and 120% AMI may be served provided that: (a) Conditions are documented as "urgent and immediate," (b) Guam obtains the necessary federal waivers to exceed the standard 80% AMI threshold, (c) The activity satisfies the Urgent Need criteria under 24 CFR 570.208(c).
Other Eligibility Criteria	All projects must pass a feasibility determination and environmental review before an award is finalized. (a) Eligible applicants will require a feasibility determination before any funds can be awarded. Direct beneficiaries will be notified of the award detailing the contract terms after the project has completed feasibility determination. (b) Subsequent phases may permit assistance to households (1) between 80.01%-120% LMI.
†Prioritization of Beneficiaries	Guam will prioritize beneficiaries based on the following hierarchy; <ol style="list-style-type: none"> 1. LMI Households ($\leq 80\%$ AMI) in Dededo and Yigo displaced by the typhoon. 2. LMI Households ($\leq 80\%$ AMI) in all other villages displaced by the typhoon. 3. LMI Households currently assisted with temporary roofing (e.g., FEMA Temporary Emergency Roof Repair (TERP) or Government of Guam programs). 4. Non-LMI households (80.01%–120% AMI).
Maximum Amount for Assistance per Beneficiary	\$350,000
Maximum Income of Beneficiary	80% AMI – 120% AMI
Exemptions	Reasonable Accommodations under Section 504 Environmental Mitigations Optional Relocation Assistance Americans with Disabilities Act
Mitigation Measures	Mitigation measures will be incorporated into the projects as a requirement to bring it to local code and insurable
Reducing Barriers to Assistance	The program will implement procedures to reduce access barriers by offering reasonable accommodations and support for those who need assistance accessing the program.
Environmental Review	The Government of Guam is the Responsible Entity for Guam's allocation of CDBG-DR funds and takes on the authority for the decision making and completion of the environmental review per 24 CFR 58.4.



2.1 Purpose and Objectives

The primary objective of this CDBG-DR program is to provide assistance for the rehabilitation or reconstruction of principal residences owned by extremely low, very low, and LMI families impacted by Typhoon Mawar. The central and most critical goal of this program is to rigorously preserve and sustainably increase the available permanent housing stock within Guam. This objective is achieved through a multi-phased approach focusing on structural integrity and disaster resilience. The immediate focus (Phase 1) is on comprehensive rehabilitation and mitigation efforts for significantly damaged housing units. By restoring the economic life of these dwellings and integrating enhanced resilience measures, the program ensures that all assisted homes meet or exceed current federal and local building codes and are safe, decent, and sanitary for the occupying households. Subsequent phases may pivot toward reconstruction efforts for fully destroyed units, but only if sufficient funding remains available after exhausting the rehabilitation demands. Ultimately, every dollar spent shall be aligned with the CDBG-DR national objective, ensuring that federal funds are used to provide safe, affordable, and quality housing for the low- to moderate-income residents of Guam, thereby maximizing long-term community recovery and stability. The Guam CDBG-DR Housing Program is generally available to households earning up to 120% of the Area Median Income (AMI). However, assistance will be awarded in a strict priority order as detailed in *Table 2* below, with primary consideration and prioritization given to households earning 80% AMI and below. This tiered approach ensures that funds are first directed toward the households with the highest need as defined by federal requirements.

HOUSEHOLD SIZE									
PRIORITY	2025 Income Limits	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Priority 1	80% AMI	\$54,250	\$62,000	\$69,750	\$77,500	\$83,700	\$89,900	\$96,100	\$102,300
Disclaimer: While the program serves all qualified households with incomes up to 120% of the Area Median Income (AMI), assistance will be prioritized, with first priority given to households earning 80% AMI and below.									
Priority 2	120% AMI	\$81,400	\$93,000	\$104,650	\$116,300	\$125,600	\$134,900	\$144,200	\$153,500

Table 1: Income Limits



The rehabilitation component of the Guam CDBG-DR program is designed to serve homeowners whose residences sustained major or severe damage from Typhoon Mawar, but where the damage does not meet the federal definition of "destroyed" (44 C.F.R. § 206.111) or substantially damaged (44 CFR 59.1). GHURA CDBG-DR will utilize Architectural and Engineering (A&E) firms to provide comprehensive construction management services. These services will encompass: conducting damage assessments, providing design services, developing precise scopes of work and cost estimates, performing progress inspections, and conducting contractor performance assessments.

The reconstruction component of the Guam CDBG-DR Program is specifically available to serve homeowners whose principal residences were categorized as destroyed or substantially damaged by Typhoon Mawar. Applicants whose storm-damaged homes have already been demolished must provide comprehensive documentation to GHURA CDBG-DR. This documentation must provide clear evidence of the pre-storm structure type, total square footage of the original home, and verification that the destruction was a direct result of Typhoon Mawar. Required documentation may include, but is not limited to, notices of condemnation, substantial damage notifications, or other official notices from local agencies requiring the property to be demolished.

2.2 Alignment with HUD's Rapid Unsheltered Survivor Housing (RUSH) Program

As per the Universal Notice, as amended, in section III.A.3.(ii), recipients of CDBG-DR are required in their housing policies and procedures to provide a description of how housing programs will align and build upon any funding received from HUD's Rapid Unsheltered Survivor Housing (RUSH) program.

Guam did not receive any RUSH funding following the events of Typhoon Mawar.

2.3 Outreach and Engagement

GHURA CDBG-DR is committed to ensuring that the Owner-Occupied Rehabilitation and Reconstruction Housing program is implemented in a transparent, efficient, and consistent manner.



Consistent with GHURA CDBG-DR Citizen Participation Plan, GHURA CDBG-DR will ensure that all potentially eligible households are aware of and understand the opportunity to participate in the program. The program's marketing and outreach strategy is designed to reach households throughout the island-wide Most Impacted and Distressed (MID) area from the onset of the program throughout the application period and program lifecycle.

GHURA CDBG-DR will implement outreach and engagement activities to promote awareness of all CDBG-DR programs and to ensure that all eligible residents, including those in Typhoon Mawar-impacted and hard-to-reach communities, are fully informed of program opportunities and how to access assistance.

2.4 National Objective

The Owner-Occupied Rehabilitation and Reconstruction Housing program must satisfy at least one of the following National Objectives:

- Low-To-Moderate Income Benefit - Housing (LMH)
- Prevention and Elimination of Slum and Blight
- Urgent Need

2.5 Eligible Activities

The Guam CDBG-DR Owner-Occupied Rehabilitation and Reconstruction Housing program is designed to fund eligible activities, as detailed in the Guam CDBG-DR Action Plan³, which focus on the rehabilitation and reconstruction of owner-occupied housing damaged by the disaster to ensure safe, decent, and sanitary living conditions and promote long-term resilience.

2.6 Ineligible Activities

As per 24 CFR 570.207, the following activities are *ineligible* and CDBG-DR grant funds *cannot* be used for any portion of these activities:

- Assistance for homeowners whose homes were in flood hazard zones and previously received federal flood disaster assistance and failed to maintain the required flood insurance; assistance for homeowners whose property sustained damage in the typhoon and was located in a floodplain at the time of the disaster and the owner did not maintain flood insurance on the damaged

³ Guam CDBG-DR Action Plan, <https://guamcdbgdr.org/sites/default/files/GU%20DR%20Approved%20Action%20Plan.pdf>



property, even if the property owner was not required to obtain and maintain such flood insurance;

- Duplication of Benefits;
- Forced mortgage payoffs;
- SBA home/business loan payoffs;
- Luxury Upgrades;
- Non-Residential Property;
- Funding for second homes⁴; or
- Compensation payments

2.7 Allocation and Benefit Caps

In response to the devastating 2023 storm, Typhoon Mawar, Guam received an allocation of CDBG-DR funds, which will be administered by the GHURA CDBG-DR. GHURA CDBG-DR has subsequently developed the Owner-Occupied Rehabilitation and Reconstruction Housing Program to cover the eligible costs necessary to rehabilitate or reconstruct storm-damaged properties, thereby restoring them to safe, decent, and sanitary living conditions, utilizing the allocated amount concurrent to the Guam CDBG-DR Action Plan.

Due to the limited availability of CDBG-DR funds allocated to Guam from HUD, financial assistance will be prioritized to LMI individuals and families subject to HUD income limits which are published annually.⁵ Guam has recognized these target groups to assist under the CDBG-DR program. Funds will be made available for eligible homeowner rehabilitation and reconstruction activities through direct-implementation by GHURA CDBG-DR to assist in the rehabilitation and reconstruction of their principal place of residence. The program is designed to create a habitable living environment for homeowners with the most serious and significantly damaged homes, and to serve as many impacted households as possible. As such, the program requires the use of standard building materials, which may not restore some damaged homes to pre-storm conditions if luxury materials were damaged in the storm. To ensure the funding will assist the maximum number

⁴ For the Federal Register Notice's definition of a *second home*, see: <https://www.govinfo.gov/content/pkg/FR-2025-01-08/pdf/2024-31621.pdf> or check the Glossary section of this manual.

⁵FY 2025 Income Limits

https://www.huduser.gov/portal/datasets/il/il2025/2025summary.odn?STATES=66.0&INPUTNAME=NCNTY66010N66010*6601099999%2BGuam&statelist=&stname=Guam&wherefrom=&statefp=66&year=2025&ne_flag=&selection_type=county&incpath=&data=2025&SubmitButton=View+County+Calculations



of households, rehabilitation and/or reconstruction work and materials will be limited to those items necessary to make the home livable and compliant with referenced building codes and HUD requirements.

Homeowner rehabilitation activities include those items identified at the initial inspection which are necessary in bringing the home in compliance with the International Building Code enacted by law and any updates approved by regulation by the Guam Department of Public Works and zoning laws (if applicable for Guam), International Energy Conservation Code as adopted by the government of Guam, GHURA written design standards for single family housing new/rehabilitation, and accessibility requirements (where applicable) including the reduction of lead-based paint hazards and the remediation of other home health hazards.

2.7.1 Maximum Benefit Caps and Review Authority

This section establishes the financial parameters and oversight protocols governing the maximum assistance an applicant can receive for rehabilitation and reconstruction, along with the requirements for justifying project costs and obtaining necessary approvals for exceptions.

1. Rehabilitation project applicants are eligible for a maximum benefit of \$350,000, concurrent to the Guam CDBG-DR Action Plan. This cap excludes optional relocation costs; however, any exceptions based on special circumstances are subject to HUD review and approval.
2. Reconstruction projects may exceed the standard rehabilitation project benefit cap in line with the CDBG-DR Action Plan (excluding any possible optional relocation costs). All costs must be justified and reasonable based on independent cost estimates. Any special circumstances requiring an exception to policy or cap will necessitate further review and approval from the Grant Manager.
3. GHURA CDBG-DR, with the assistance of an A&E firm, may update independent cost estimates identified for rehabilitation projects, or as otherwise approved by the Grant Manager.



2.7.2 Exclusion of Temporary Relocation Costs (URA/ORR) from Maximum Assistance Cap

The maximum assistance cap established for the CDBG-DR Housing Rehabilitation and Reconstruction initiatives is designed to define the program's spending limit for construction, repairs, and direct housing costs. Including necessary temporary relocation costs incurred due to program activity [Uniform Relocation Assistance (URA) or Optional Relocation Assistance (ORA)] within this fixed cap would penalize applicants. This inclusion would reduce the funds available for their primary housing need (rehabilitation/reconstruction), forcing them to cover relocation expenses or accept a diminished scope of work. To avoid this unfair reduction and ensure the full scope of necessary housing work is achievable, an exception is required.

Temporary relocation costs (whether URA or ORR) shall be formally excluded and administered separate from the established maximum assistance cap for all CDBG-DR Housing Program activities.

A. Exclusion of URA/ORR from the Cap

- The approved dollar amount for any necessary and eligible temporary relocation assistance (whether URA- or ORR-funded) provided to a legally displaced tenant or eligible household will not be counted against the applicant's maximum construction/direct assistance cap.

B. Conditions for Exclusion

This exclusion applies only to relocation assistance that is:

1. Directly required for the execution of the CDBG-DR funded housing activity (e.g., the home must be vacant for construction).
2. Provided to an eligible party, such as a lawfully displaced tenant or a homeowner/tenant qualifying under ORR, as determined by a formal relocation assessment.
3. Documented in a separate line item within the total project budget, distinct from the construction scope of work.

This exception is justified under the authority to provide necessary and reasonable program delivery costs, ensuring that the CDBG-DR program can successfully complete the rehabilitation and reconstruction of homes without creating an additional financial barrier or hardship for eligible, displaced households.



All URA/ORR activities shall be compliant GHURA CDBG-DR residential Anti-displacement and Relocation Assistance Plans (RARAP).

2.8 Occupancy Standards and Fair Housing

The Guam CDBG-DR Owner-Occupied Rehabilitation and Reconstruction Housing program strictly adheres to all Federal, local, and program-specific non-discrimination mandates to ensure equitable access and use of housing assistance.

- **Federal Compliance:** The program is governed by the Fair Housing Act (42 U.S.C. §§ 3601-19), which prohibits discrimination in all housing-related transactions, including sale, rental, and financing, based on race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability.
- **Reasonable Accommodation:** Discrimination includes the failure to provide a reasonable accommodation—a necessary change, exception, or adjustment to a policy, practice, procedure, or service—when such an accommodation is required for an individual with a disability to fully enjoy and use their housing.
- **Section 3 and Other Federal Requirements:** As a recipient of Federal assistance from HUD, the program also complies with additional requirements, including but not limited to Section 504 of the Rehabilitation Act of 1973 (prohibiting disability discrimination in Federally assisted programs) and Title VI of the Civil Rights Act of 1964 (prohibiting discrimination based on race, color, and national origin). The program must ensure that all rehabilitated and reconstructed properties meet required accessibility standards.

All housing units assisted under the Guam CDBG-DR Owner-Occupied Rehabilitation and Reconstruction Housing program must meet rigorous quality and stability standards to ensure a safe, decent, and sanitary condition for the homeowner. Achieving “safe, decent, and sanitary” involves compliance with the most current and stringent applicable standards, including, but not limited to, full compliance with the most current adopted version of the Guam Building Code. Specific mitigation measures will be implemented and documented within the program’s Standard Operating Procedures (SOPs) to ensure long term resiliency. These include structural enhancement such as the installation of typhoon-rated shutters, reinforced roof-to-wall “hurricane” clips, and high-impact windows to defend against extreme wind events. For units in flood prone areas, mitigation will include elevation or the use of



moisture-resistant materials to prevent water damage. All such improvements will be coded and tracked within the Disaster Recovery Grant Reporting (DRGR) system as distinct mitigation activities to demonstrate Guam's progress toward reducing future disaster risks. Furthermore, units must be free of major health and safety hazards, including corrected deficiencies related to mold, lead-based paint, asbestos, and faulty utilities.

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3. PROGRAM ASSISTANCE TYPES & GENERAL REQUIREMENTS

The Owner-Occupied Rehabilitation and Reconstruction Housing program provides phased assistance for the rehabilitation and reconstruction of homes to address the unmet needs of Typhoon Mawar-impacted households. Importantly, it incorporates essential mitigation and resiliency measures to ensure the assisted homes are better protected against future natural disasters.

To qualify for assistance under the Owner-Occupied Rehabilitation and Reconstruction Housing Program, the applicant must meet the following criteria:

1. **Income Eligibility:** The household must qualify as a Low- and Moderate-Income (LMI) individuals/households, or display income below 120% AMI or as defined by HUD CDBG-DR.
2. **National Objective:** Must meet at least one of the national objectives and must have a direct or indirect tie-back to Typhoon Mawar.
3. **Primary Residence:** The damaged dwelling must have been the applicant's primary residence during Typhoon Mawar, and the applicant must have occupied, or intended to occupy, the home immediately prior to their application.
4. **Owner-Occupancy Requirement:** Upon completion of the rehabilitation or reconstruction, the owner must maintain the property as their primary residence. The specific timeframe for this commitment is determined by the final award total. (*See Table 9: Compliance Period*)
5. **Property Ownership:** The applicant must own the property as legally defined form of ownership, including, but not limited to: fee simple title, a long-term leasehold interest, or an equivalent form of ownership approved by HUD.
6. **Duplication of Benefits (DOB):** The applicant must undergo and successfully clear the Duplication of Benefits analysis to ensure that all financial resources received from other sources (FEMA, SBA, Private Insurance, etc.) for the same damage have been accounted for. (*See Section 7: Duplication of Benefits*)
7. **Legal Residency:** The applicant must be a legal resident of Guam. Specifically, the applicant and household members must provide proof of status as a U.S. Citizen, Non-Citizen National, or Qualified Alien (such as a Permanent Resident Card holder).



3.1 Applicant Prioritization

The Owner-Occupied Rehabilitation and Reconstruction Housing Program is available to households earning up to 120% of the Area Median Income (AMI), with 80% AMI and below households being of the highest priority. As the available funding for homeowner assistance is finite, assistance will be awarded in a strict priority order. Consistent with the Action Plan, GHURA CDBG-DR will prioritize applicants based on the eligibility of each applicant and the feasibility of each project, considering vulnerability factors to address the unmet needs resulting from Typhoon Mawar. Should the number of applicants exceed the housing allocation, GHURA CDBG-DR will establish a waiting list. For each priority tier (as defined in the table below), eligibility and placement will be processed on a first-come, first-served basis within that tier.

The program's prioritization system is implemented across the following phases:

Prioritization of Beneficiaries GUAM CDBG-DR Housing Program 1: Owner-Occupied Rehabilitation and Reconstruction				
Program Phase	Priority	CDBG-DR AMI	MID Priority	National Objective
Phase 1: Rehabilitation	First	80% and below	Priority 1: Low-to moderate-income (LMI) households in Dededo and Yigo displaced by Typhoon Mawar.	Low-To-Moderate Income Benefit Housing (LMH)
	Second	80% and below	Priority 2: Low-to moderate-income (LMI) households in all other villages displaced by Typhoon Mawar.	Low-To-Moderate Income Benefit Housing (LMH)
	Third	80% and below	Priority 3: Low-to moderate-income (LMI) households provided a temporary roof by FEMA or the Government of Guam.	Low-To-Moderate Income Benefit Housing (LMH)
Phase 2: Reconstruction	First	80% and below	Priority 1: Low-to moderate-income (LMI) households in Dededo and Yigo displaced by Typhoon Mawar.	Low-To-Moderate Income Benefit Housing (LMH)
	Second	80% and below	Priority 2: Low-to moderate-income (LMI) households in all other villages displaced by Typhoon Mawar.	Low-To-Moderate Income Benefit Housing (LMH)
	Third	80% and below	Priority 3: Low-to moderate-income (LMI) households provided a temporary roof by FEMA or the Government of Guam.	Low-To-Moderate Income Benefit Housing (LMH)

Table 2a: Prioritization of Beneficiaries (Phase 1&2)



3.2 Prioritization Order

Applications shall undergo eligibility review in the established sequential order of priority, commencing with Phase 1 through Phase 2 (or any succeeding phases specified in the prioritization scheme), as detailed in *Table 2a: Prioritization of Beneficiaries (Phase 1&2)*, continuing until the allocation of program funds has been exhausted.

While GHURA CDBG-DR will conduct preliminary eligibility reviews and document processing for applications across multiple phases simultaneously, final eligibility determinations and the commitment of assistance funds will be strictly completed in the established phased order. Specifically, final determinations for all Phase 1 applicants in the queue will be processed and funded before proceeding to commit funds to Phase 2 applicants, and so on. *Table 2b: Prioritization of Beneficiaries (Subsequent Phases)* below indicates prioritization based on funding availability and can be determined anytime by the Grant’s Administrator.

Financial Assistance shall be subject to availability of funds for determined subsequent phases. Subsequent phases will be considered based on need through Guam’s record to be assisted first; and must obtain the authorized federal waivers required to go above the standard 80% AMI specific to Guam’s CDBG-DR AP Housing Program 1.

Prioritization of Beneficiaries GUAM CDBG-DR Housing Program 1: Owner-Occupied Rehabilitation and Reconstruction				
Program Phase	Priority	CDBG-DR AMI	MID Priority	National Objective
Subsequent Phase: Rehabilitation	First	80.01% to 120%	Priority 1: 80.01% to 120% (AMI) households in Dededo and Yigo displaced by Typhoon Mawar.	Urgent Need
	Second	80.01% to 120%	Priority 2: 80.01% to 120% (AMI) households in all other villages displaced by Typhoon Mawar	Urgent Need
	Third	80.01% to 120%	Priority 3: 80.01% to 120% (AMI) households provided a temporary roof by FEMA or the Government of Guam.	Urgent Need
Subsequent Phase: Reconstruction	First	80.01% to 120%	Priority 1: 80.01% to 120% (AMI) households in Dededo and Yigo displaced by Typhoon Mawar.	Urgent Need
	Second	80.01% to 120%	Priority 2: 80.01% to 120% (AMI) households in all other villages displaced by Typhoon Mawar	Urgent Need
	Third	80.01% to 120%	Priority 3: 80.01% to 120% (AMI) households provided a temporary roof by FEMA or the Government of Guam.	Urgent Need

Table 2b: Prioritization of Beneficiaries (Subsequent Phases)



Recognizing that low-income thresholds and severe impact represent the highest vulnerability, the program is structured to ensure that Phase 1 applicants will be awarded assistance before any subsequent phase applicants. Succeeding phase applicants will only be awarded if funding remains after all eligible Phase 1 applicants have been fully served.

The eligibility review process will culminate in an initial determination of Eligible, Ineligible, or a Request for Additional Information (RAI). Applicants can visit GHURA CDBG-DR's official recovery website (www.guamcdbgdr.org) for regular updates regarding program status and their application status or as determined by the CDBG-DR Housing program portal/grants management system.

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4. ELIGIBILITY CRITERIA

4.1 Applicant Eligibility and Compliance Requirements

Applicants must provide complete and accurate information regarding their household composition, household income, and all other eligibility criteria. Failure to disclose accurate and complete information (including failure to provide necessary documentation) may result in the applicant being deemed ineligible for assistance. If an applicant is found to have submitted fraudulent, inaccurate, and/or incomplete information to appear eligible for the program, they may be required to make full restitution to GHURA CDBG-DR, including administrative fees and construction costs, and may be subject to further penalties under local and federal law.

4.1.1 General Eligibility Criteria

All applicants to the program must demonstrate compliance with the following eligibility criteria:

1. Applicants must have owned the destroyed or damaged property on May 24, 2023, and must still own the property at the time of the application.
2. Applicants must establish that the subject property was their principal place of residence at the time of Typhoon Mawar. Consistent with federal standards, eligibility extends to those who were physically occupying the dwelling on May 24, 2023, as well as those who can substantiate an intention to occupy the residence but were prevented from doing so due to the disaster event or other qualifying circumstances.
3. Demonstrate a Direct/Indirect Tie Back: The property must have been damaged or destroyed by Typhoon Mawar (DR-4715-GU).
4. Eligible Structure: The property must be an eligible single-family home structure type⁶ (24 CFR 93.2).
5. The applicant must be current on their property taxes or on an approved payment plan in good standing.
6. If a mortgage exists, it must be in good standing, in forbearance, or on an approved payment plan.
7. Income Limit: The Applicant's household must qualify as a Low- and Moderate-Income (LMI) individuals/households, or display income below 120% AMI or as defined by HUD CDBG-DR.

⁶ Single-Family Definition, 24 CFR 93.2 "Single family housing"



8. Proof of Identification: All adult household members (aged 18 and older) must provide valid, government-issued photo identification to verify legal identity and residency.

4.1.2 Income Determination and LMI Status

Household income is generally determined based on the projected combined income of all household members (all individuals who intend to occupy the assisted property) for the upcoming 12 months (see definition 1 (iii) under income in 24 CFR 570.3). Low-to-Moderate-Income (LMI) status is assessed at the point when the program enters into an agreement with the homeowner.

If the applicant's household income qualifies as LMI at that time, delays in the process, even those exceeding 12 months, will not disqualify the project from proceeding. However, to maintain program integrity, the program will request a recertification from the applicant confirming there have been no significant changes to household income since the initial determination.

Eligibility will be determined by GHURA CDBG-DR based on a combination of information and documents supplied by the applicant and information verified independently by the program.

4.1.3.1 Required Documentation Table

Eligibility Criterion	Required Documentation	Program Verification Notes
<p>1. Property Ownership: Applicants must have owned the destroyed or damaged property on May 24, 2023, and must still own the property or intended to occupy.</p>	<p>At least one of the following: (a) Certificate of Title; or (b) Recorded Deed; or (c) Mortgage Statement; or (d) Court Order.</p> <p>Chamorro Land Trust Commission (CLTC) Lessees/Tenants: (a) Certification - certifying that an applicant completed the eligibility verification process from the Chamorro Land Trust Office; and (b) Landowner Concurrence Form - documentation of landowner concurrence for the purpose of CDBG-DR activities (i.e. rehabilitation) on the land they lease.</p> <p><i>Disclaimer: OTHER documents may be considered/requested on a case-by-case basis.</i></p>	<p>Refer to Sections: 4.14 4.15 4.16 4.17</p>
<p>2. Primary Residence: The Applicant must have occupied the home as a primary residence on May 24, 2023.</p>	<p>Proof of Occupancy: (a) Mayor's Verification; and</p> <p>One document from the following: (b) Utility bill addressed to applicant at property address during the month preceding or month of disaster; or (c) Insurance Documentation indicating primary residence in 2023. (d) Property Tax Statement</p> <p>Other: Documents may be considered from the following: (a) Evidence of FEMA Individual Assistance (IA) award for destroyed property referencing DR-4715-GU; or (b) Evidence of SBA disaster home loan award for destroyed property referencing DR-</p>	<p>Refer to Sections: 4.18</p>



	4715-GU. <i>Disclaimer: OTHER documents may be considered/requested on a case-by-case basis.</i>	
3. Disaster Impact: The property must have been damaged or destroyed by Typhoon Mawar (DR-4715-GU).	Verified by the program via a GHURA CDBG-DR or FEMA damage assessment, or a property tax record showing tax exemption due to destruction. If no permit was obtained, the applicant may provide: (a) FEMA IA award letter showing damage level; (b) SBA disaster home loan award letter; (c) Insurance claim noting damages caused by Typhoon Mawar .	Refer to Sections: 4.1.9 Verified by the program using damage assessment data and/or site inspection
4. Eligibility Structure Type: The property must be an eligible single-family home structure type.	Verified by the program using Guam Tax Information and/or building records.	Verified by the program.
5. Current Property: The applicant must be current on their property taxes or on an approved payment in good standing.	Proof from the tax assessor of property taxes paid in full or proof of a payment plan in good standing. Obtain clearance from the Department of Revenue and Taxation. <ul style="list-style-type: none"> • Most recent Property Tax 	Refer to Sections: 4.1.10
6. Mortgage Status: If a mortgage exists, it must be in good standing, in forbearance, or on an approved payment plan.	Most recent mortgage statement showing current status, forbearance, or an approved payment plan arrangement.	Refer to Sections: 4.1.11
7. Household Income: The Applicant's household must qualify as Low-to-Moderate Income (LMI) (at or below 120% AMI)	Proof of Income is required for the applicant and all household members aged 18 or older. Required documents to demonstrate income for common sources: Primary Verification Documents: (a) Most recent year and complete Federal Tax Returns (IRS Form 1040) along with applicable schedules and associated documents; Secondary Verification Documents: (b) Three (3) consecutive paystubs within the past three (3) months; (c) Verification of Employment (VOE) (d) Current Social Security/Disability/Unemployment/Pension/Child Support/Annuity benefit letters; (e) Current year Profit and Loss Statement (24 months/2 years)/Business or Personal Bank Statements showing regular income deposits (24 months/2 years)/GRT/Tax Transcript. Adult household members with no income must submit a Certificate of No Income .	Refer to Sections: 4.1.12 4.1.13
8. Proof of Identification: All adult household members must provide valid, government-issued photo identification to verify legal identity and residency.	Proof of Identification: (Government-Issued Photo Identification) (a) Driver's License (b) Passport (c) Permanent Resident Card (d) Military ID Card (e) Birth Certificate (for minors) Proof of Residency: (a) Passport (b) Naturalization Certificate (c) Permanent Resident Card <i>Disclaimer: OTHER documents may be considered/requested on a case-by-case basis.</i>	Refer to Sections: 5.1 5.2

Table 3: Eligibility Criterion

4.1.3.2 Loss of Required Records Due to Storm Damage

GHURA CDBG-DR recognizes that the catastrophic nature of Typhoon Mawar may have resulted in the loss of critical records, making it difficult for some applicants to provide standard documentation. Consequently, if an applicant is unable to provide the full extent of required records, such as official square footage or specific condemnation notices, they are encouraged to submit their application with all available supporting materials for individual consideration. Under this flexible review process, program staff will evaluate alternative evidence, including but not limited to, time-stamped photographs, previous tax assessments, utility records, and other historical documents to verify eligibility and determine the appropriate level of



assistance. This case-by-case approach ensures that the program's goal of recovery is met and that eligible households are not excluded from assistance solely due to the loss of paperwork caused by the disaster itself.

4.1.4 Ownership and Occupancy Period Requirements

To qualify for the program, applicants must demonstrate that they owned the damaged or destroyed property at the time of the qualifying event (Typhoon Mawar, May 24, 2023) and must still own the property at the time of the application. Documentation required to prove ownership is listed in the Eligibility Table above.

Additionally, applicants must agree not to sell or transfer the property, or any interest in it, until after the completion of the program occupancy period (See Table 9: Compliance Period). Applicants must notify GHURA CDBG-DR before any transfer of the property if that transfer occurs before the end of this period.

For applicants whose properties are situated on land managed by the Chamorro Land Trust Commission (CLTC), proof of ownership shall be established through the submission of two primary documents which the applicant must proactively acquire by visiting the CLTC office. First, the applicant must obtain a formal CLTC Certification, which serves as official verification from the Commission that the individual has successfully completed the requisite eligibility screening and holds a recognized legal interest in the property. Second, the applicant must secure an executed Landowner Concurrence Form from the CLTC. This document provides the necessary authorization from the Commission, in its capacity as the landowner, for the performance of specific CDBG-DR recovery activities—such as rehabilitation or reconstruction—on the leased premises. It is the responsibility of the applicant to coordinate directly with the CLTC office to secure these instruments before their application can be finalized for assistance. Other forms of documentation may be requested on a case-by-case basis.

In instances where a property is held by multiple owners (e.g., tenants-in-common, joint tenancy, or undivided heirship interests), the applicant must demonstrate that they have the legal authority to apply for the program and perform work on the premises. To satisfy this requirement, the applicant is responsible for securing and submitting a notarized Affidavit of Consent or a Power of Attorney executed by the other co-owners. These legal instruments must explicitly state that the co-owners



concur with the applicant's participation in the CDBG-DR program and acknowledge the applicant's use of the dwelling as their primary residence. This documentation ensures that all parties with a legal interest in the property are in agreement with the proposed rehabilitation or reconstruction activities and the associated federal compliance requirements, such as the mandatory occupancy period.

The occupancy periods for owner-occupied properties are based on the level of assistance and require the applicant to own and continuously use the assisted home as their primary residence throughout the duration of the applicable tiered period, as further detailed in the occupancy period section of this document. (See *Table 9: Compliance Period*)

4.1.5 Trust-Held Property Requirements

Properties held in a trust will be reviewed on a case-by-case basis by GHURA CDBG-DR depending on the specific terms of the trust agreement.

To satisfy the ownership requirement for damaged property that was transferred to the applicant through a trust, the applicant must provide clear evidence of the legal arrangement. This requires submitting two key documents: a copy of the Trust Agreement and a copy of the Recorded Deed (or Record of Deed) that officially transferred the property into the trust. It is crucial that both of these documents have been officially recorded in the Department of Land Management property records to verify legal ownership and the applicant's current interest in the property.

When an applicant is required to provide a signature on behalf of a Trust, the signature name must exactly match how it is written in the Trust document, not how the name may appear on the Grant Deed. When adding a Trust as a Co-Applicant, the Trust name must be entered exactly as it is listed in the Grant Deed for that property.

The following documents are required for the program's review of trust-held property:



Table 4: Trust-Held Property Requirements

Document	Required Information	Applies To
Trust Agreement, including all amendments	<ul style="list-style-type: none"> • Name of Trust • Tax Identification Number (TIN), Employer Identification Number (EIN), or Social Security Number (SSN) • Date of Trust Creation • Date of Amendment(s) • Property Address • Name of Trustees 	<ul style="list-style-type: none"> • Applicant(s) • Co-applicant(s) • Co-owner(s) • Trustor(s) • Grantor(s) • Trustee(s)

4.1.6 Ownership Resolution for Heirship and Probate Issues

Applicants claiming an ownership interest in a property who are unable to furnish acceptable ownership documentation due to heirship, probate, or other recognized title defects may be granted an extension on a case-by-case basis by the Chief Planner or the Grants Manager to resolve their encumbrances and submit an acceptable legal instrument demonstrating clear title to GHURA CDBG-DR.

The program shall offer referrals to qualified local legal aid organizations or equivalent service providers for necessary title clearance activities, including, but not limited to, legal services, probate court filings, and comprehensive title searches, when such support is required to establish ownership.

The program shall hold the applicant’s position in the prioritization queue while title curative actions are undertaken, provided all other eligibility criteria have been satisfied. Failure by the applicant to definitively resolve ownership issues within the granted extension timeframe shall result in the case being formally deemed ineligible due to insufficient proof of ownership of the damaged property.

4.1.7 Applicant Death Policy

Should the primary applicant become deceased subsequent to the submission of a program application, but prior to the initiation of construction activities, the applicant's designated heir may be formally deemed eligible to receive program assistance, subject to the following stipulated conditions:

- Designated Household Member: The heir must have been a documented household member on the original application submission.



- Ownership Establishment: The heir must legally establish and demonstrate current, clear ownership of the property, utilizing an accepted method outlined in *Table 3: Eligibility Criterion* of this document, within one (1) calendar year from the date of the primary applicant's death. The heir must provide a certificate of death. (See *Section 4.1.3 and 4.1.4*)
- Program Compliance: The heir must satisfy all other established program eligibility requirements, including the necessary income qualifications.

If no eligible household member or heir comes forward who satisfies all requisite program criteria, the application shall be formally closed. However, in accordance with *Section 4.1.5*, applicants who identify themselves but are unable to provide immediate proof of ownership due to heirship or probate may be granted a case-by-case extension by the Chief Planner or Grants Manager. While the program may offer referrals to legal aid organizations to assist in title clearance and will hold the applicant's place in the prioritization queue, a failure to definitively resolve these ownership issues within the allotted extension timeframe will result in the case being deemed ineligible.

4.1.8 Verification of Primary Residence and Occupancy Requirements

Applicants are formally required to provide documentation that unequivocally establishes occupancy of the damaged property as their primary residence as of the date of the qualifying disaster event, May 24, 2023 (Typhoon Mawar). The specific evidentiary documents mandated to substantiate primary residency are enumerated in eligibility criteria found in *Table 3: Eligibility Criterion*.

The program shall conduct a comprehensive collective review and assessment of all available documentation. The determination of primary residence shall be based upon the applicant's demonstrated consistency of evidence across all provided documentation. The applicant bears the full burden of proof for submitting consistent and sufficient evidence to validate primary residency at the time of the disaster. Should any material inconsistencies be identified in the submitted documentation, the application process may be formally suspended until such time as the applicant successfully and satisfactorily resolves all discrepancies.



In instances where potential overcrowding is identified, GHURA CDBG-DR retains the authority to request supplementary primary residency documentation from additional household members.

4.1.9 Disaster Tie Back

To be eligible for program assistance, the subject property must be certified as having been damaged or destroyed as a result of the impacts of Typhoon Mawar which made impact on May 24, 2023. GHURA CDBG-DR will prioritize verifying this damage through a desktop review of existing official records outlined in the eligibility criterion (Section 4.1.3) *Table 3: Eligibility Criterion*, such as FEMA damage reports or internal program assessments. In cases where existing records do not sufficiently determine the extent of the damage, the applicant may be required to provide supplemental documentation, which may include insurance claim reports, repair receipts, or contemporaneous photos and video recordings of the damages sustained during the typhoon. If damages remain unverified after a review of these materials, GHURA CDBG-DR reserves the right to conduct a formal physical site inspection to definitively confirm the property's condition and the necessity of recovery activities.

4.1.10 Property Tax Compliance Requirements

Applicants are formally required to submit documentation demonstrating that property taxes levied on the assisted property are either paid in full or are subject to an approved payment plan in good standing.

Applicants identified with delinquent property taxes may be granted a compliance period not to exceed thirty (30) days from the date of application to formally establish a payment plan or fully remit all tax arrearages. The applicant must subsequently provide the program with an acceptable legal document confirming this resolution.

The program shall reserve the applicant's prioritized position in the queue during the resolution period, contingent upon all other eligibility criteria being satisfied. Failure by the applicant to sufficiently resolve the tax delinquency issues within the designated thirty (30) days timeframe shall result in the case being deemed ineligible due to non-compliance with current property tax standing.



4.1.11 Mortgage Compliance Requirements

If the subject property is encumbered by a mortgage, the loan must be maintained in good standing, devoid of any unresolved arrears.

Applicants shall be required to submit evidence verifying that the mortgage is either current at the time of application or is subject to a formally approved forbearance agreement. Applicants who have previously incurred arrears may maintain eligibility provided they demonstrate that the mortgage is currently in good standing or that a repayment plan, formally agreed upon with the lender, is being diligently observed.

Applicants identified with existing mortgage arrears shall be granted a resolution period not to exceed thirty (30) days to establish a formal repayment plan or fully remit all outstanding sums. The applicant must subsequently furnish the program with an acceptable legal document certifying this resolution.

The program shall reserve the applicant's prioritized standing while mortgage arrears are being resolved, contingent upon all other eligibility criteria being successfully met. Failure to sufficiently resolve the mortgage arrears within the thirty (30) day-period shall render the case ineligible due to non-compliance with the good standing requirement.

4.1.12 Income Eligibility

To satisfy the program's eligibility requirements and to align with the Guam CDBG-DR guidelines while prioritizing efficiency, the program shall adopt the following practices as a method to determine eligibility for household income. The GHURA CDBG-DR Owner-Occupied Rehabilitation and Reconstruction Housing Program (OORR) shall use the IRS 1040 (Adjusted Gross Income) method as its primary standard for income verification, ~~while maintaining 24 CFR Part 5 as a secondary safeguard.~~

Income Eligibility and Verification Standards

- 1) An applicant's household must qualify as Low-to-Moderate Income (LMI) household; or be below 120% of the Area Median Income (AMI) as determined by CDBG-DR.
- 2) All applicants must demonstrate CDBG-DR identified national objective (LMI) Low-to-Moderate Income Housing (LMH). The program utilizes the income thresholds adjusted for household size as published annually by HUD. To determine the overall annual household income, the program assesses the income of all individuals who



intend to occupy the assisted property, rather than focusing solely on the primary applicant.

Primary and Secondary Documentation Methods

For the purpose of streamlining the application process, the program utilizes the IRS Form 1040 Adjusted Gross Income (AGI) method as the primary proof of income. Applicants are encouraged to provide their most recent federal tax returns to establish financial eligibility. In instances where an applicant cannot furnish an IRS 1040, or if the tax documentation does not accurately reflect the household's current financial status, the program will utilize the income calculation requirements specified in 24 CFR Part 5, Subpart F. This alternative method ensures a comprehensive review by considering income from all applicable sources, maintaining full regulatory compliance when tax forms are unavailable.

Discretionary Review of Income Discrepancies

The program recognizes that financial documentation may not always present a uniform picture of a household's economic reality. Consequently, the program maintains the authority to review income discrepancies on a case-by-case basis. This allows for a discretionary determination based on the totality of the provided documents, ensuring that eligibility decisions are grounded in the most accurate and current financial data available. This flexibility prevents qualified applicants from being unfairly excluded due to administrative inconsistencies or complex financial histories.

4.1.13 Household Composition

Household members are defined as all people (minors and adults) who intend to reside in the Typhoon Mawar-impacted home as their primary residence after the completion of rehabilitation and reconstruction. A household includes all people occupying the same housing unit, regardless of their relationship, and may consist of a single-family, multiple families, or any other group of related or unrelated people who share living arrangements.

The determination of meeting the LMI national objective is based on the total annual income (per 24 CFR Part 5, Subpart F) of all individuals who constitute the household.

The program will adhere to the following rules to determine which income sources and individuals are included in the total household income calculation.



Category	Income Determination Rule
Minors	Earned income of minors (under age 18) is not counted, but must be disclosed. However, unearned income directly attributable to a minor (e.g., taxable payments from trusts, stocks, bonds, child support, and social security) is included in the household income calculation.
Temporarily Absent Members	The income of temporarily absent family members who are adults are counted in the annual income and they are included in the total household size.
Live-in Aides/Caregivers	The income of persons temporarily living with the applicant, including tenants, is excluded . The income of a non-related live-in aide and their children is excluded ; however, if the live-in aide is related to any household member, their income and the income of their children must be included .
Absent Spouse	If an applicant is married, but their spouse is legally residing in a separate household, the income of the absent spouse will be excluded from the total household income calculator, provided documentation of the separate residence is furnished.

Table 5: Income Determination

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5. APPLICATION AND INTAKE PROCESS

Only one (1) application per household for their primary residence will be considered across the Owner-Occupied Rehabilitation and Reconstruction Housing Program. Single-family homeowners interested in assistance may apply for the program via the following methods:

- Complete an application online via the GHURA CDBG-DR Website Application Portal window.

Visit any designated Program Service Center: Email housing-dr@ghura.org for current site locations.

Applicants are required to complete a program application and provide all necessary supporting documents for eligibility review, income verification, and the required Duplication of Benefits (DOB) analysis. All documentation submitted by the applicant must be valid at the time of submission. Applications may only deem complete if all supporting documentations are provided.

The application process may require each applicant to authorize the program to obtain third-party data by signing a consent/release form.

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information. Methods of communication include:

- **Program Website:** www.guamcdbgdr.org
- **Email:** housing-dr@ghura.org

5.1 Applicant and Co-Applicant Identification Requirements

All applicants and co-applicants aged eighteen (18) or older, who intend to occupy the rehabilitated or reconstructed home, will be required to submit a valid photo identification. Expired photo identification will not be accepted.

Acceptable forms of identification include:

- Government-issued photo identification (Federal or Territorial, such as a Guam ID)
- Driver's License



- U.S. Passport
- Military ID card
- Certificate of Naturalization or Permanent Resident Card

Household members under the age of eighteen (18) must also submit proof of age and identity. A Birth Certificate must be submitted for all household members seventeen (17) and younger. If an applicant is unable to produce a birth certificate for a minor child, other documents may be considered by GHURA CDBG-DR on a case-by-case basis.

5.2 Citizenship and Legal Residency Requirements

GHURA CDBG-DR will administer these programs in strict accordance with all applicable immigration restrictions and requirements. This includes the eligibility and verification requirements established under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (PRWORA, 8 U.S.C. 1601-1646)⁷, and any subsequent requirements set by HUD, the Attorney General, or the U.S. Citizenship and Immigration Services (USCIS).

Subject to the exceptions provided by PRWORA, GHURA CDBG-DR will utilize the Systematic Alien Verification for Entitlements (SAVE) program, or an equivalent federally approved verification system, to ensure that no federal public benefits are provided to ineligible non-citizens.

All applicant and co-applicant household members residing in the CDBG-DR funded home must provide documentation to establish U.S. citizenship or eligible immigrant status. Applicants may provide one of the following documents for verification:

- U.S. Passport or Passport Card
- Certified Birth Certificate
- Guam Real ID (or a federally compliant state-issued driver's license/ID)
- Certificate of Naturalization
- Permanent Resident Card (Green Card)

Compacts of Free Association (COFA) Citizens

⁷ Aliens and Nationality, <https://uscode.house.gov/view.xhtml?path=/prelim@title8/chapter14&edition=prelim>



Citizens of the Freely Associated States (Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau), lawfully residing in the United States pursuant to the Compacts of Free Association (COFA), are recognized as “qualified aliens” under federal law [8 U.S.C. 1612(b)(2)(G)]. This designation makes them generally eligible for the federal public benefits that comprise CDBG-DR assistance, provided all other program eligibility criteria are met.

All applicant and co-applicant household members residing in the CDBG-DR funded home must provide documentation to establish U.S. citizenship or eligible immigrant status. COFA citizens must provide current, valid documentation to establish their status as a qualified alien. Acceptable primary documentation includes, but is not limited to:

Document Type	Description/Annotation
Valid COFA Passport	Unexpired passport from the FSM, RMI, or Palau.
Form I-94 Arrival/Departure Record	Showing a current and valid class of admission (e.g., CFA/FSM, CFA/MIS, or CFA/PAL), confirming lawful presence under the Compact.
Other USCIS Documentation	Any other official U.S. Citizenship and Immigration Services (USCIS) document that clearly indicates lawful residency under the COFA agreement.

Table 6: COFA Citizen Requirements

If applicants are unable to provide the documents listed above, the program will use the SAVE system to verify eligibility for assistance. Other citizenship and legal status documentation may be considered on a case-by-case basis.

5.3 Applicant Representation and Authorized Designees

An applicant may choose to designate other individuals to act on their behalf or to receive information about the application from the program. Applicants may designate a Power of Attorney, Co-Applicant, or Communication Designee, or any combination thereof, at the sole discretion of the applicant. The requirements and powers of each designated representative type are outlined below:

- **Power of Attorney (POA):** A POA is an individual legally authorized to act on behalf of the applicant. The specific powers are based on the duly executed and legally binding POA document submitted by the applicant. GHURA CDBG-



DR will recognize the powers outlined in that document but will not assist applicants in securing or designating a POA.

- **Co-Applicant:** A co-applicant must be an adult, a co-owner of the damaged property, and a household member residing at that property. A co-applicant has the same authority over the program application as the primary applicant and must sign all required program documents. They are granted full decision-making authority over the application. Joint ownership does not require the designation of a co-applicant.
- **Communication Designee:** A Communication Designee is any adult person the applicant authorizes to receive information about the application. GHURA CDBG-DR is authorized to share information with this designee, but the Communication Designee is not authorized to make any decisions or legally affect the program application on the applicant's behalf.

Any of the aforementioned persons, if duly appointed, may serve as the applicant's representative in attendance of program inspections, should the applicant be unable to attend. However, only a duly authorized POA or a co-applicant may sign documents, make agreements or decisions, or otherwise act unilaterally on the applicant's behalf.

5.4 Applicant Certifications and Consent Requirements

As part of the Owner-Occupied Rehabilitation and Reconstruction Housing program application process, each applicant must sign an Acknowledgment and Consent Statement form for any applicable disclosure or notice determined by the program and may be updated as necessary to remain compliant. See *Housing Procedures* for details and list of Certifications and Consents.



6. CONFLICT OF INTEREST POLICY AND ETHICS REQUIREMENTS

To ensure the highest standards of integrity and transparency, all activities under the Guam CDBG-DR Program 1: Owner-Occupied Rehabilitation and Reconstruction shall be conducted in strict accordance with the GHURA CDBG-DR Conflict of Interest (COI) policies adopted by the GHURA Board of Commissioners via Resolution No. FY2025-032⁸, or any subsequent resolutions thereafter. This adherence ensures that no person who exercises any functions or responsibilities with respect to CDBG-DR activities, or who is in a position to participate in a decision-making process, may obtain a financial interest or benefit from the program. These standards apply to employees, consultants, and agents of the program, extending to their immediate family members and business associates during their tenure and for a period of one year thereafter.

In addition to the general board-adopted policies, the program shall comply with all program-specific conflict of interest requirements as mandated by federal regulations (24 CFR 570.611) and local guidelines. This includes a mandatory disclosure process for all applicants, contractors, and staff to identify any potential or perceived conflicts early in the eligibility phase. Any individual identified as having a potential conflict must be recused from all relevant decision-making processes, including but not limited to, the determination of applicant eligibility, the selection of contractors, and the final approval of rehabilitation or reconstruction awards.

Ultimately, the authority to grant exceptions to these conflict of interest provisions rests solely with the federal government. Per federal requirements, the U.S. Department of Housing and Urban Development (HUD) will review and must approve all conflict of interest exceptions in writing before any program assistance is provided or contracts are executed involving the affected party (24 CFR 570.611 (d)). GHURA will submit formal exception requests to HUD only after ensuring that the conflict has been publicly disclosed and that a legal opinion has been obtained confirming the exception does not violate Guam law. No program funds may be committed to an activity involving a conflict until HUD has provided official written approval.

⁸ Resolution approving the Guam Community Development Block Grant - Disaster Recovery Conflict of Interest Policy, <https://notices.guam.gov/app/webroot/userfiles/files/GHURA%27s%20August%2026%202025%20BOC%20Mtg.%20Announcement.pdf>



7. DUPLICATION OF BENEFITS (DOB)

All activities under the Owner-Occupied Rehabilitation and Reconstruction program shall be administered in strict compliance with the Guam CDBG-DR Duplication of Benefits Policy, adopted by the GHURA Board of Commissioners via Resolution No. FY2025-029⁹, or any subsequent resolutions thereafter. All activities conducted within this program shall be compliant with GHURA CDBG-DR DOB policies mentioned above. In accordance with Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), the program is prohibited from providing CDBG-DR financial assistance to any person or entity for any part of a loss for which they have already received financial assistance from another source for the same purpose. To ensure the fiscal integrity of the program, GHURA CDBG-DR will perform a comprehensive DOB analysis for every applicant at three distinct stages: 1) during initial intake and eligibility, 2) prior to the execution of the grant award, and 3) at the final closeout of the project.

Applicants are required to disclose all disaster recovery assistance received, including but not limited to, funds from the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), private insurance settlements, and assistance from non-profit or charitable organizations. The program will verify these sources through data-sharing agreements and third-party documentation to determine the applicant's total unmet need. Per the most recent GHURA board-adopted policies and program-specific guidelines, certain funds may be excluded from the DOB calculation if the applicant can demonstrate they were used for a different allowable purpose, such as temporary housing or legal fees, or if the funds are specifically designated by HUD as non-duplicative under HUD Policy Bulletin 2025-01. This includes limited exemptions for low- to moderate-income (LMI) households who receive certain types of subsequent federal assistance after their CDBG-DR award has been calculated.

As a mandatory condition of participation, all beneficiaries must execute a Subrogation Agreement and a Duplication of Benefits Declaration. These legal instruments require the beneficiary to report any additional assistance received for

⁹Resolution approving the Guam Community Development Block Grant - Disaster Recovery Duplication of Benefits Policy, <https://notices.guam.gov/app/webroot/userfiles/files/GHURA%27s%20August%2026%202025%20BOC%20Mtg.%20Announcement.pdf>



the same purpose after the date of their CDBG-DR award and to repay GHURA for any funds subsequently determined to be duplicative. GHURA CDBG-DR reserves the right to recapture funds from any beneficiary if a duplication of benefits is identified at any point during or after the reconstruction process. All recaptured funds will be returned to the CDBG-DR program account in accordance with federal law to ensure that recovery resources are maximized for those with the greatest remaining unmet needs.

7.1 Available Assistance and DOB Sources

The following sources of funding, commonly provided to survivors for structural damage or loss caused by Typhoon Mawar, are considered available assistance to the applicant and must be disclosed for the DOB calculation:

1. Federal Emergency Management Agency (FEMA) Individual Assistance for Housing/Structure;
2. Private Insurance proceeds (for structural dwelling coverage);
3. Small Business Administration (SBA) Disaster Home Loans (for structural damage);
4. Funds received from charitable organizations for the same unmet need;
5. Legal settlements related to the disaster-caused structural damage;
6. Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may constitute a duplication of assistance.

If the applicant receives any additional funds for the same purpose (e.g., from insurance or legal settlements) after the program has finished repairing or rebuilding their home, they are legally required to repay or return those duplicative funds to GHURA CDBG-DR, in accordance with the Stafford Act (42 U.S.C. 5121 et seq.).

7.1.1 FEMA Individual Assistance

FEMA Individual Assistance (IA) provided to applicants for home repair or reconstruction may be initially considered duplicative assistance by the program.

The program will verify the FEMA IA award amount through official FEMA-provided datasets or through applicant-provided documentation, such as the official FEMA Award letter.



- Duplicative Amount: Unless otherwise documented, the entire amount of FEMA IA for housing assistance will be counted as a DOB.
- Exclusion of Non-Structural Items: If the applicant provides satisfactory evidence demonstrating that the FEMA award included assistance for items not related to structural repair (e.g., contents, temporary housing), the verified amount for non-structural items will be excluded from the DOB calculation.
- Data Consistency: If the program is unable to verify the FEMA IA amount through the official FEMA database, the payment amount attested to by the homeowner at the time of application will be used. If a homeowner provides documentation that contradicts the FEMA database (e.g., showing the database amount includes non-structural items), the GHURA CDBG-DR may use the homeowner's documentation to adjust the final FEMA IA payout amount counted toward the DOB.

This ensures that only funds received for the same eligible structural need are counted as duplicative.

7.1.2 Private Insurance

All property, casualty, or other insurance settlement amounts received for loss or damage to the dwelling structure are considered available assistance for the purpose of the DOB calculation. Payments received specifically for contents or Additional Living Expenses (ALE) are not considered available assistance, as these funds address a different purpose than the structural assistance provided by the program.

The program, administered by GHURA CDBG-DR, will first attempt to verify private insurance settlement amounts for structural loss by directly contacting the insurance company. If direct verification is not feasible, the program will utilize the claims payout amount officially documented and provided by the homeowner.

As stipulated in 90 FR 1754¹⁰, applicants for CDBG-DR assistance are required to seek all insurance or other assistance to which they are legally entitled under existing policies and contracts. Therefore, all applicants whose property was insured at the time of Typhoon Mawar are required to file an insurance claim.

¹⁰ FR-1754-N-05, <https://www.govinfo.gov/content/pkg/FR-2025-01-08/pdf/2024-31621.pdf>



The GHURA CDBG-DR staff member will initiate contact with the applicant to collect insurance claim information if the following scenarios are identified:

1. The applicant reported possessing insurance coverage but attested that they did not file a claim for the disaster-related structural damage.
2. The applicant reported an active mortgage on the property but stated they did not have insurance at the time of the disaster (as lenders typically require coverage).

If an applicant who possessed insurance (or whose mortgage required insurance) has not filed an insurance claim for Typhoon Mawar, they will be formally required to file an insurance claim and provide GHURA CDBG-DR with evidence of the insurer's final response regarding that claim.

- If the insurer approves the claim, the approved funding amount will be treated as available assistance in accordance with the DOB calculation framework.
- If the insurer formally indicates that the deadline to file a claim for Typhoon Mawar has passed, or if the claim is officially denied, the program may then proceed to serve the applicant, as those funds are deemed no longer available to the applicant for the structural loss.

7.1.3 Small Business Administration (SBA)

Federal regulations mandate that approved Small Business Administration (SBA) disaster loans designated for structural reconstruction or repair must be classified as available assistance for the purposes of federally funded recovery programs (90 FR 1754).

Should an applicant execute a loan agreement with the SBA to cover eligible structural costs, the total amount of the approved loan is included as available assistance in the DOB calculation.

However, as articulated in 90 FR 1754, the portion of a subsidized loan that is formally declined or subsequently canceled by the applicant shall be explicitly excluded and does not constitute a DOB.



The program, administered by GHURA CDBG-DR, shall utilize information provided by the applicant and may obtain official data feeds from the SBA to verify all approved loan amounts.

GHURA CDBG-DR will require specific information from the SBA that itemizes the approved loan into its distinct assistance categories (e.g., real property, contents, vehicles). Only the portion of the approved SBA loan specifically designated for the real property structural damage will be factored into the DOB calculation. Loan amounts designated for purposes other than structural repair shall be excluded.

7.1.4 Declined SBA Loans

Declined loans are defined as loan amounts formally proffered by a lending institution, such as the SBA, which the applicant subsequently refused to accept, thereby foregoing the execution of final loan documents necessary for disbursement.

To be formally excluded from the DOB calculation and consequently considered funding not available to the applicant, the declined loan must be substantiated through the SBA data feed in conjunction with official, written communication from the lender (SBA) verifying the formal declination or cancellation of the loan commitment.

7.1.5 Accepted, but Undisbursed SBA Loan Amounts

Canceled loans are defined as instances where the applicant (borrower) has executed a loan agreement, but a substantial portion, or the entirety, of the loan amount remains undisbursed and is verifiably no longer accessible to the applicant. Loan cancellation may result from borrower default, mutual consent to revoke the undisbursed portion, expiration of the disbursement period, or other formal reasons. The canceled loan amount is the precise sum that is no longer deemed available to the applicant.

Should an applicant formally cancel all or a portion of an SBA loan related to the repair or reconstruction of the dwelling, only the accepted and disbursed loan amount shall be factored into the DOB calculation. Canceled subsidized loan amounts are strictly not considered funds available to the applicant, but their exclusion is conditional upon adherence to the following documentation protocols:



The applicant must certify that they shall not undertake any action to reinstate the canceled loan or access any additional undisbursed loan amounts.

1. Fully Undisbursed Loans: Canceled loans that incurred no drawdowns must be substantiated through the SBA data feed demonstrating a zero dollar (\$0) disbursement record, in conjunction with formal written communication from the lender (SBA) verifying the cancellation.
2. Partially Disbursed Loans: Canceled loans where a partial drawdown occurred, but the remainder was canceled, must be verified using the SBA data feed and formal written communication from the lender (SBA). In this scenario, only the accepted current loan amount (the disbursed principal) shall be considered a DOB.

7.1.6 Legal Settlements

Funds received from any formal settlement or trust established as a direct result of Typhoon Mawar (May 24, 2023) may constitute a DOB for the program, in accordance with regulatory guidance from HUD (42 U.S.C. 5121-5207). Lawsuit settlements shall be rigorously evaluated by GHURA CDBG-DR to determine DOB applicability as specific documentation and details are made available.

Legal fees disbursed by the applicant that were essential for the successful procurement of insurance proceeds shall be treated as allowable exclusions and are not to be included in the DOB calculation. To substantiate this exclusion, applicants are required to furnish:

1. Verifiable evidence of the legal fee payment.
2. A final judgment or official settlement document demonstrating the successful resolution of the legal action that yielded the insurance proceeds.

Conversely, all other legal fees that an applicant may have paid using disaster assistance proceeds (e.g., FEMA or SBA funds) shall be included in the DOB calculation if the original intent of the assistance funding was for the repair or reconstruction of the damaged dwelling.



7.1.7 Other Funding Sources

Any funding received from external sources, such as a non-profit entity, another federal agency, or local government program, that serves the same purpose as a CDBG-DR program award (i.e., structural rehabilitation or reconstruction) must be reported by the applicant during the application process.

The applicant is required to provide the supporting documentation related to these duplicative funding sources. The program will verify these funds and apply the determined amount as DOB against the applicant's total need.

7.2 Non-Duplicative Assistance

Not all prior assistance received by an applicant shall be deemed a duplication of the assistance provided under this program. Previous assistance that qualifies as non-duplicative shall be formally excluded from the total DOB calculation.

The program shall authorize reductions to the total calculated DOB amount, contingent upon the applicant furnishing satisfactory documentation that the utilization or control of the prior funds meets specific criteria.

In accordance with the Federal Register (Volume 90, No. 5, April 5, 2025, at 90 FR 1754), the program retains the authority to exclude assistance from the DOB calculation if the funds were demonstrably:

1. Provided for a different purpose: Assistance explicitly granted for a recovery need distinct from the structural repair or reconstruction scope funded by this program (e.g., compensation for personal contents, temporary rental assistance, or medical costs).
2. Provided for the same purpose, but for a different, allowable use: Assistance initially designated for structural purposes which the applicant can conclusively prove was expended on a different, eligible use necessary for recovery (e.g., mortgage principal reduction or payment of insurance deductibles).
3. Provided for the same purpose, but insufficient to complete project: When an applicant receives assistance for the same purpose (e.g., structural repair) from FEMA or other sources, but those funds are insufficient to complete the



project, the assistance is considered "non-duplicative" for the remaining unmet need.

Each of these non-duplicative categories is further delineated in subsequent provisions.

7.2.1 Assistance Provided for a Different Purpose

Any form of assistance explicitly provided for a purpose materially distinct from the eligible structural activity funded by the CDBG-DR program, or assistance provided for a generalized, non-specific objective (e.g., "disaster relief" or "general recovery"), shall be formally excluded from the total assistance calculation utilized for determining the DOB amount, provided such funds were not applied toward the structural work.

Specifically, any funding received for purposes other than the repair, reconstruction, or replacement of the home structure, such as compensation for personal property, medical expenditures, or temporary housing needs, shall not be deemed a DOB. Funding verifiably received for a purpose demonstrably different from the primary purpose of the assistance offered under this program will be strictly excluded from the DOB determination.

7.2.1a Funds Not Available to the Applicant (DOB Exclusion)

Funds determined to be legally unavailable to the applicant may be formally excluded from the calculation of the final program award. Funds are not deemed available to the person or entity if the applicant lacks legal control and dominion over the funds at the point of receipt and the funds are applied toward a non-duplicative purpose.

For illustration, should a homeowner's mortgage agreement contain a clause contractually mandating that any insurance proceeds be applied directly toward the reduction of the outstanding principal balance, the mortgagee (lender) exercises ultimate legal control over said proceeds, superseding the authority of the homeowner.

Consequently, the homeowner is under a legal obligation to remit the insurance proceeds for mortgage reduction and is deprived of discretion to utilize them for



structural rehabilitation. In such circumstances, those insurance proceeds shall not reduce the applicant's CDBG-DR assistance eligibility.

Conversely, if the disaster-affected homeowner voluntarily elects to apply insurance proceeds toward the reduction of an existing mortgage balance, or otherwise initiates payment to the lender, those insurance proceeds shall reduce the amount of disaster assistance eligibility, as the homeowner will have exercised discretion and control over the disposition of the funds.

It is further stipulated that if a mortgage agreement explicitly requires insurance proceeds to be allocated for the repair of the damaged property, those proceeds shall be classified as available assistance for that specific recovery purpose. Physical possession of cash assistance is not a prerequisite for the determination that a homeowner possesses legal control over benefits designated for a particular purpose.

7.2.2 Same Purpose, Different Eligible Use

Funds that were received for the same general purpose as the assistance provided under this program (e.g., structural repair or reconstruction) but were demonstrably applied by the applicant toward a different, eligible recovery expenditure may be formally excluded from the final program award calculation.

In such circumstances, where prior assistance was utilized for an expenditure distinct from the intended CDBG-DR scope, the funds are not considered duplicative if the applicant can provide conclusive documentation (e.g., paid invoices, receipts, or canceled checks) validating that the funds were expended on a separate, but eligible, recovery use.

The amount of funds documented as spent on this different, eligible use shall be utilized to offset the calculated DOB. The program shall meticulously review all submitted documentation on a strict, case-by-case basis to render a final determination.



7.2.2a Exclusion Protocol: Temporary Housing Costs

Allowable expenditures for the exclusion of potentially duplicative funds include the costs incurred for temporary accommodation, such as dwelling unit rent, hotel stays, and associated utilities, that arose directly from the applicant's temporary displacement from their primary residence due to Typhoon Mawar (May 24, 2023).

Period of Eligibility

The eligible duration for temporary displacement for this exclusion commences on the date of the qualifying disaster event and concludes on the date of the verification letter confirming the availability of the applicant's permanent housing solution. Expenditures related to initial evacuation are strictly ineligible for this DOB exclusion.

Calculation and Documentation Requirements

Costs incurred for temporary housing can be subtracted from the total potential DOB amount. When a homeowner receives assistance (such as insurance proceeds, FEMA funds, or other benefits) in a non-itemized, aggregated sum, the portion of that assistance verifiably expended by the applicant on eligible temporary housing expenses from the date of the disaster can be deducted from the calculated DOB total.

The DOB shall be reduced by the full verifiable amount, provided that sufficient documentation is furnished.

Eligible Expenditures and Required Substantiation

The following eligible temporary housing exclusion expenses, along with the required documentation for substantiation, include, but are not limited to:

Eligible Temporary Housing Expenditure	Required Documents
Dwelling Unit Rent	Official receipts, formal lease agreements, or verifiable rental contracts.
Hotel or Short-Term Rental	Itemized receipts or formal booking confirmations.
Temporary Housing-Related Utilities	Sworn Self-Affidavit for a period not exceeding sixty (60) calendar days . (Note: Expenditures for food, personal consumables, or other non-utility items are strictly ineligible for DOB exclusions).
Other Temporary Living Arrangements (Subject to Case-by-Case Review)	Proof of payment, such as bank statements or credit card purchase records, for other formally approved temporary living arrangements.

Table 8: Eligible Expenditures



7.2.2b Exclusion Protocol: Debris Removal

Federal, Territorial, and local governmental partners have provided assistance to applicants for disaster-related debris removal activities.

Insurance proceeds that were explicitly designated for debris removal shall be excluded from DOB calculation if the subject property lot has already been cleared, as verified by the program's initial damage assessment or site inspection. This exclusion acknowledges that the specific need corresponding to that allocation has been met.

If the homeowner utilized non-insurance disaster assistance proceeds or out-of-pocket funds to remove debris, and can substantiate the expenditure via paid invoices or receipts, and the program verifies that the removal work has been completed, the substantiated expense amount shall be utilized to offset (reduce) the applicant's total DOB obligation. This policy ensures that funds spent by the applicant on this eligible recovery use are not double-counted as a benefit.

7.2.2c Exclusion Protocol: Theft, Vandalism, or Contractor Fraud

If an applicant is confirmed to be a victim of theft, vandalism, or contractor fraud related to the disaster recovery of their home, the documented amount paid for materials, work, or to the fraudulent contractor may be excluded from DOB calculation, provided the incident is properly documented.

The applicant must have filed a formal complaint with the appropriate governmental authority in Guam (e.g., the Guam Police Department (GPD), the Office of the Attorney General (OAG), or a consumer protection agency). This complaint must set forth in detail the cause and amount of the loss due to fraud, theft, or vandalism, in a verifiable format affirmed through official enforcement follow-up.

The program will require documentation of the formal complaint or police report to verify the incident. Applicants must provide evidence of filing a formal complaint with law enforcement or the appropriate regulatory/legal authority in Guam, or evidence of filing a civil action in a court of competent jurisdiction in Guam.

The intent of this policy is to consider all relevant evidence provided by the homeowner to make a reasonable determination, based on the totality of



circumstances, of whether the DOB amount should be reduced by the documented loss.

An applicant's engagement or intention to engage in litigation related to fraud, workmanship, vandalism, or theft does not preclude them from obtaining a DOB reduction under this analysis. The applicant will be required to execute a Subrogation Agreement at the time of grant execution, which obligates them to return any portion of funds later received (e.g., from a legal judgment or settlement) that is related exclusively to the home repairs for which the program provided assistance. Therefore, the existence of a lawsuit is not grounds for denying this DOB reduction analysis.

7.2.3 Same Purpose, Insufficient to Complete Project

The program is designed as the "funding of last resort" to ensure the project reaches 100% completion. If the property remains uninhabitable or does not meet the "Decent, Safe, and Sanitary" (DSS) standards, the program shall provide the necessary supplemental funding to resolve the remaining deficiency and complete the reconstruction.

As an example, the program formally acknowledges that FEMA Individual Assistance (IA) awards are designed as emergency support and are capped by federal regulation, meaning they are not intended to serve as a total replacement for comprehensive reconstruction costs. To facilitate a full recovery, the program identifies the total cost required to repair or reconstruct the home to modern, resilient standards. While any FEMA repair grants received are identified as assistance for the same purpose, the program performs a gap analysis to determine the remaining unmet need. Because these initial federal awards are often insufficient to cover the total scope of work, the program commits to funding the remaining "gap" to ensure project completion. Furthermore, FEMA funds already expended on eligible recovery efforts do not reduce the program's commitment to providing the supplemental assistance necessary to achieve a fully rehabilitated or reconstructed dwelling. To ensure a home is fully recovered, the program follows these steps:

- Identification of Need: The program determines the full cost to repair or reconstruct the home to modern, resilient standards (e.g., \$150,000).



- Application of FEMA Funds: If the applicant received a FEMA repair grant (e.g., \$10,000), that amount is identified as "assistance for the same purpose."
- Gap Analysis: Since \$10,000 is insufficient to cover the \$150,000 needed, the program will cover the remaining \$140,000 "gap." The FEMA money already spent does not reduce the program's commitment to finishing the project.

7.3 Subrogation

Recipients of federal recovery funds for structural repair or rebuilding (a "Federal Award") formally agree that should they subsequently receive additional compensation from any other source (e.g., private insurance, legal settlement, or another program) for services already provided by the program, the recipient must remit those additional funds to prevent a DOB between the federal award and the other source.

Subrogation in this context means that grant recipients agree to repay overlapping funds to the program if they later receive money from other sources for the identical purpose covered by the program award.

Applicants must subrogate any additional funds received for the same purpose as the assistance provided by the program back to the program. The principle that CDBG-DR funding must be funding of last resort is strictly enforced.

If additional funds are paid to the applicant awardees for the reconstruction of the structure after the program has completed its work, those funds constitute a DOB and therefore must be returned to GHURA CDBG-DR.

Applicant awardees will be formally required to sign a comprehensive Subrogation Agreement as an integral part of their Homeowner Grant Agreement (HGA) with the program.



8. DEFICIENCY IN BUDGET (DIB) GAP – RECONSTRUCTION AWARDS ONLY

8.1 Deficiency in Budget (DIB) Gap for Reconstruction Projects

A Deficiency in Budget (DIB) Gap is established when the total amount of prior assistance received (both excludable and non-excludable benefits), less the dollar amount of formally excluded benefits (non-duplicative assistance), results in a positive remainder greater than \$0.00.

Because the program provides grant awards to eligible applicants in the form of completed reconstruction services (i.e., no cash is paid directly to the applicant), the DIB gap must be resolved prior to the execution of the grant agreement.

The DIB gap may be resolved either through a reduction in the value of the benefit provided to the homeowner by the program (known as a Scope Reduction), or by the applicant providing funds to the program equal to the DIB gap amount. Both methods may be used in combination to reduce the DIB gap to \$0.00.

The DIB gap may be satisfied by the applicant using one or a combination of the following methods:

1. Direct Remittance: The DIB gap amount, along with all future non-excludable benefits anticipated by the applicant, shall be provided to the GHURA CDBG-DR and deposited into a CDBG-DR Local Account prior to the execution of the Homeowner Grant Agreement (HGA).
2. Scope Reduction: The DIB gap may be satisfied through a scope reduction, which formally reduces the dollar value and corresponding scope of work provided to the applicant through the program. A scope reduction will not be offered if the reduction conflicts with local building code requirements or results in the reconstructed home failing to meet minimum habitability standards or causing households to be overcrowded.

Applicants will be formally notified in writing if a DIB gap is discovered. Applicants will have thirty (30) calendar days from the date of written notification to appeal the DIB gap determination or to satisfy the DIB gap by either remitting funds, accepting a scope reduction as described above, or a combination thereof. If an applicant fails to



satisfy the DIB gap within the thirty-day timeframe allotted, the applicant's case will be closed.

When an applicant is approved for a reconstruction award, a DIB gap may be identified. This occurs when the total approved cost of the reconstruction exceeds the maximum available grant funds and any other confirmed funding sources. The DIB gap must be fully resolved before the applicant signs the Homeowner Grant Agreement and any program-sponsored construction work begins.

The applicant must resolve the DIB gap using one of the two mandatory methods outlined below:

Option 1: Applicant Contribution

The applicant must provide the full amount of the DIB gap in cash. These funds must be deposited into a dedicated DIB gap funding account. This required deposit must be finalized before the official Award Letter is issued and prior to the start of any construction financed by the program.

Option 2: Project Scope Reduction

The applicant may formally choose to decrease the size and complexity of the reconstruction project. This is accomplished by selecting a standard home design that is lower-priced than the one for which they initially qualified. The difference in cost between the original qualified home and the smaller, selected home will then be used to fully cover the identified DIB gap. The program¹¹ will assist the applicant in selecting a suitable, smaller house plan that fits within the available budget.

Funding Allocation Procedures

- Award Cap: Any personal funds contributed by the homeowner and deposited into the DIB gap funding account will count toward the federally set maximum program award limit, which is currently \$350,000.
- Order of Drawdown: To ensure proper accountability, all funds designated to cover the DIB gap (whether from the homeowner's cash contribution or from

¹¹ Any proposed Scope Reduction to a reconstruction project shall be strictly prohibited if such a reduction would result in the creation or exacerbation of an overcrowding condition in the dwelling unit, as defined by applicable federal or local standards for minimum bedroom count and occupancy.



the savings generated by a scope reduction) must be utilized and fully spent first, before any CDBG-DR grant funds are applied to the construction costs.

8.2 DIB Gap Exceeds Estimated Cost of Reconstruction

An applicant may satisfy the core eligibility requirements for the CDBG-DR program but may still be disqualified from receiving a financial award. This determination shall be made if the total amount of previous disaster recovery benefits received by the applicant, from all sources, including but not limited to insurance, FEMA, or other federal/local assistance, are determined to be greater than the estimated and verified cost to reconstruct the destroyed structure.

This provision ensures that program funds are not utilized to result in DIB, as prohibited by federal regulation.

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9. ENVIRONMENTAL REVIEW (24 C.F.R Part 58)

The Environmental Review is a mandatory process for evaluating a project's potential to impact the environment, ensuring full compliance with all applicable federal, territorial, and local legal requirements. Every project and all associated activities undertaken utilizing federal funds are subject to the provisions of the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. § 4321 et seq.), as well as the implementing HUD environmental review regulations found at 24 CFR Part 58 (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities).

The program conducts a comprehensive environmental review for every project prior to the issuance of a program award. This process is essential to confirm that proposed activities will not generate adverse impacts on the surrounding environment and that the property itself is free from environmental or health hazards that could adversely affect end-users.

Prohibition of Activities Pending Clearance (24 CFR § 58.22)

The limitations on activities pending clearance, as codified in 24 CFR § 58.22, strictly prohibit the commitment or expenditure of any federal or non-federal funds on activities that could potentially result in an adverse environmental impact or limit the range of reasonable project alternatives prior to the formal completion and approval of the environmental review process. A violation of this requirement shall jeopardize federal funding for the program and may result in the disallowance of all costs incurred before the required environmental clearance is obtained.

Governing Environmental Authorities

The program's environmental review process is conducted in accordance with the guidance and regulations outlined in the following statutes and corresponding regulatory codes, including local Guam laws where applicable:

- Environmental Responsibilities (24 CFR Part 58)
- Protection of Historic Properties (36 CFR Part 800)
- Floodplain Management and Protection of Wetlands (24 CFR Part 55)
- Coastal Zone Management Act (CZMA), Section 307 (c) and (d), as amended (16 U.S.C. § 1456)



- Sole Source Aquifers (40 CFR Part 149)
- Interagency Cooperation – Endangered Species Act of 1973, as amended (50 CFR Part 402)
- Wild and Scenic Rivers Act (WSRA), Section 7 (b)(c), as amended (16 U.S.C. § 1278 – Restrictions on Water Resources Projects)
- Air Quality Provisions (Sections 176 (c) and (d) of the Clean Air Act, as amended, 42 U.S.C. § 7506; and 40 CFR Parts 6, 51, and 93)
- Farmland Protection Policy Act (FPPA) (7 U.S.C. § 4201 et. seq., implemented by 7 CFR Part 658)
- Environmental Criteria and Standards
- Noise Abatement and Control (24 CFR §§ 51.100–51.106)
- Siting of HUD-Assisted Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 CFR §§ 51.200–51.208)
- Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accidental Potential Zones at Military Airfields (24 CFR §§ 51.300–51.305)
- Toxic and Hazardous Materials (24 CFR § 58.5 (i)(2)(i))

Remediation and Ineligibility

Environmental clearance must be secured for each project prior to the legal commitment of federal or non-federal funds. Issues identified during the environmental review process may be mitigated, if feasible, either before or after the commencement of construction. Necessary and eligible environmental remediation measures may be funded through the program.

However, should a condition discovered during the environmental review prove incapable of being cleared within the established program award caps, budgetary constraints, or schedule limitations, the property may be deemed ineligible for assistance. Furthermore, if the environmental review determines that, due to extraordinary environmental or hazard conditions, the site is not feasible for reconstruction, the property will be formally determined to be ineligible for program assistance.

9.1 Tiered Environmental Review



A tiered approach to environmental compliance has been formally adopted and implemented for the program. This approach is deemed appropriate for activities of a specific type (e.g., housing reconstruction) that will be conducted across multiple locations, serve the same functional purpose, and possess a consistent level of environmental impact across the implementation area.

The tiered approach comprises two distinct stages:

Tier I: Broad Environmental Review (Programmatic Level)

A Tier I review has been conducted to comprehensively address and analyze the environmental impacts that are common to the reconstruction of single-family homes across a targeted geographic area (or areas). This broad review assessed regional impacts and regulatory compliance that do not vary significantly based on the exact project parcel.

Tier II: Site-Specific Review (Project Level)

A mandatory Tier II review shall be conducted for each individual applicant's property prior to the execution of a grant agreement. The Tier II review specifically addresses and identifies those environmental impacts that are inherently variable by site and can only be assessed once the precise project location and scope are known.

These site-specific impacts include, but are not limited to, compliance with historic preservation requirements, the presence of toxic or hazardous materials, and other localized environmental factors.

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10. AWARD

Applicants who are determined to be eligible for CDBG-DR award will receive official written notification via an Award Letter. This letter will formally communicate the award amount and outline the necessary subsequent actions the applicant must complete to formally accept the award.

Following the issuance of the Award Letter, the assigned GHURA CDBG-DR staff members shall schedule a formal execution event for the HGA with the eligible applicant. During this event, the GHURA CDBG-DR staff members will conduct a comprehensive review of the HGA, which includes:

- A detailed explanation of all information contained within the HGA and timeline;
- A clear delineation of the homeowner's responsibilities throughout the entirety of the process, including pre-construction, during construction (if applicable), and post-construction; and
- A full review of all compliance period requirements stipulated by the CDBG-DR program, which are subject to all applicable Guam and federal laws, regulations, and the CDBG-DR Guam Action Plan.

To formally accept the award, the applicant must sign the HGA within thirty (30) calendar days from the date on the Award Letter. If the applicant declines the award or fails to execute the HGA, or file a timely appeal of the award determination within this thirty (30)-day period, the applicant's case file deemed nonresponsive shall be formally closed¹².

The execution of the HGA and the disbursement of any associated funds are strictly contingent upon the continuing availability of CDBG-DR funds as allocated by HUD and the Government of Guam. Furthermore, every executed HGA is subject to the provisions of all current and future program policies, procedures, and relevant local and federal laws governing the CDBG-DR grant.

10.1 Award Exceptions

While the program is governed by maximum award caps, exceptions may be granted on a case-by-case basis to address extraordinary circumstances. To ensure

¹² Exceptions may be made on a case-by-case basis for extenuating circumstances.



consistency and transparency, the grantee's policies and procedures must communicate how it will analyze the circumstances under which an exception is needed and how it will demonstrate that the amount of assistance is necessary and reasonable. All exception requests are evaluated based on the core principles of reasonableness, necessity, and available funding.

Identification of Need

An exception may be initiated either by the applicant (or their case manager) or by the program based on site-specific conditions. Various circumstances may warrant an exception, including demonstrable hardships such as disability-related needs, displacement-related burdens, or other documented vulnerabilities. Furthermore, exceptions may be triggered by specific accessibility requirements, unanticipated environmental remediation, such as the discovery of asbestos, lead, or mold, historic preservation requirements, or technical construction challenges like structural instability and complex elevation requirements.

Documentation and Submission

The formal process for an exception depends on the party initiating the request. If initiated by the applicant, a written request must be submitted along with the comprehensive supporting documentation, such as medical records, specialized contractor estimates, or engineering reports. If the exception is initiated by the program due to site conditions discovered during inspection, the rationale and supporting evidence will be documented directly in the applicant's file by program staff to ensure a clear audit trail.

Program Review and Determination

The request or program-initiated exception is reviewed by the Grants Manager to determine the final approved exception amount and to ensure that all expenditures align with HUD's "necessary and reasonable" cost principles and that the exception does not compromise the overall program budget.

Decision and Notification

Once the review is complete, the applicant is notified in writing of the final decision regarding their request. Approved exceptions are meticulously documented in the program file to provide a clear justification for the over-cap funding. All such



exceptions are tracked and reported in strict accordance with HUD requirements to maintain program integrity and transparency.

10.2 Design Selection

The CDBG-DR program shall implement the following protocols to expedite the recovery process and ensure compliance with all federal and local housing standards for the reconstruction of homes damaged or destroyed by Typhoon Mawar:

10.2.1 Home Design Selection for Rehabilitation and Reconstruction

To minimize the required time from award issuance to construction completion, the program shall utilize one of the following for design:

1. The existing, permitted blueprints of the pre-disaster property provided that the pre-disaster property was compliant with all relevant zoning codes; or
2. Pre-approved, standard model home plans and specifications provided by the program.

Floorplan Eligibility Basis:

- The most recently permitted square footage and bedroom count of the destroyed primary dwelling unit shall establish the baseline for the unit size for which the applicant is eligible.
- Only the primary home will be considered for this determination. Accessory Dwelling Units (ADUs) and outbuildings (e.g., garages, sheds, pool houses) are not factored into the determination of the eligible unit size or bedroom count and will not be reconstructed.

Finality of Selection: During the HGA signing event, the applicant shall select a standard floorplan for which they are eligible. This home selection is final upon signature and shall not be changed by the applicant thereafter. The program reserves the right to initiate a change only if subsequent lot-specific restrictions or site engineering requirements necessitate an alteration to the approved design.

10.2.2 Addressing Budget and Overcrowding

The selection and final award are subject to the following mandatory conditions:



1. **Cost Cap Compliance:** If the approved standard floorplan, when combined with site-specific construction requirements, results in a total cost that exceeds the maximum CDBG-DR award cap, the program shall offer the applicant a smaller standard floorplan (which may include a reduction in square footage) to meet the available award amount.
2. **Overcrowding Prohibition:** Any reduction in unit size or bedroom count, whether to comply with the award cap, or if requested by the applicant to resolve a DOB gap, is strictly prohibited if such a reduction would result in the creation or exacerbation of an overcrowding condition as defined by applicable federal or Guam standards.
3. **Approved Exceptions to Size:** Exceptions to the standard reconstructed unit size and bedroom configuration will only be considered under two conditions:
 - To prevent or resolve an overcrowding issue, provided the project complies with the program's maximum award cap, technical and structural feasibility of the project site, satisfactory completion of a supplemental environmental review, and adherence to Guam's health and safety occupancy standards; or
 - Where an applicant formally elects a size reduction to mitigate an identified DOB gap.

10.2.3 Rehabilitation Standards and Exclusions

The Rehabilitation aspect of the program strictly requires that all repairs utilize the existing structure and footprint, with all construction work designed and executed to meet or exceed current federal/HUD and local building codes, while specifically incorporating resilience measures appropriate for hazards prevalent in Guam. The program operates under a strict prohibition against funding "like-for-like" replacement of luxury or non-essential amenities, ensuring that assistance is limited to essential repairs that restore habitability and address disaster-related damage. Funding shall not be used for elective "betterments" or aesthetic upgrades, with the specific exception of resiliency and mitigation measures designed to reduce the risk of damage from future disasters and enhance the long-term durability of the home, thereby reducing or eliminating the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship as a result of future disasters. Explicitly excluded from the scope of work are the repair of outbuildings (such as sheds or



detached garages), the repair or improvement of any unpermitted structures or additions, and the restoration of excessive amenities (such as any bathrooms exceeding two) or aesthetic finishes that surpass the approved standard, builder-grade materials of the program. The final scope of work is determined solely by the program based on documented disaster damage and code requirements, ensuring all CDBG-DR expenditures align with the National Objective of providing safe, decent, and sanitary housing.

10.2.4 Reconstruction Standards and Exclusions

Reconstructed homes will be sited in substantially the same footprint as the destroyed structure, provided it is feasible and complies with current zoning and setback requirements. All construction will meet or exceed current federal/HUD and local building codes, including specific resilience measures against hazards prevalent in Guam.

Prohibition on "Like-for-Like" Reconstruction: The program does not provide funding for or commit to a "like-for-like" replacement of the destroyed structure. The following items are explicitly excluded from the scope of reconstruction and will not be considered when determining the floorplan, size, or configuration of the new home:

1. **Outbuildings:** Reconstruction of attached or detached garages, sheds, pool houses, or any other outbuildings. These structures may be demolished if necessary for the new home construction or if they pose a health or safety concern.
2. **Excessive Amenities:** The existing number of bathrooms (if more than two), extra/bonus rooms (such as dens, playrooms, offices, studies, libraries, etc.).
3. **Aesthetics and Finishes:** Specific interior or exterior finishes, materials, or square footage that exceed the standards of the approved program model homes.



10.3 Mitigation and Resiliency Activities

To minimize the impact of future storm events, all GHURA CDBG-DR-assisted housing projects must integrate typhoon resiliency standards in accordance with the Guam Territorial Building Code (GTBC) and its 170 MPH wind speed design criteria. While these mitigation measures are a program priority, their implementation is contingent upon the Environmental Assessment's technical feasibility and must be achieved within the program's maximum award limits. Any resiliency upgrades exceeding the award cap or deemed structurally unfeasible will be evaluated on a case-by-case basis.

Mitigation measures shall be required for all projects and may include, but are not limited to, the following elements to enhance structural integrity and weather-proofing against high winds and water intrusion:

Roofing System Reinforcement

1. **High-Wind Resistant Roofing:** Installation of roofing systems designed to meet or exceed the GTBC wind-load requirements, prioritizing materials such as full concrete roofs or high-rated, fully sheathed, and adequately fastened asphalt shingles or metal roofing.
2. **Roof Connections:** Installation of typhoon straps, clips, or approved structural connections to ensure the roof system is securely tied down to the wall structure.
3. **Water Barrier:** Installation of high-quality, continuous waterproof underlayment and flashing to mitigate water penetration from wind-driven rain.
4. **Venting and Penetrations:** Use of secure, weather-resistant caps and vents for roof penetrations (e.g., plumbing, exhaust) to prevent wind and water intrusion.
5. **Gutters and Drainage:** Installation of secured gutters, downspouts, and proper site drainage to manage stormwater runoff and prevent erosion or foundation compromise.

Openings and Envelope Protection



1. **Impact-Resistant Openings:** Replacement of windows and exterior doors with products rated for impact or certified for high-wind-load performance, consistent with GTBC standards.
2. **Typhoon Shutters:** Installation of permanent or readily deployable, code-compliant typhoon shutters or reinforced protective panels for all windows and exposed glass doors.
3. **Soffits and Eaves:** Enclosure of eaves and soffits using durable, non-combustible or wind-resistant materials to prevent wind pressurization and water entry.
4. **Exterior Siding/Cladding:** Use of robust, weather-resistant siding materials (e.g., fiber cement or concrete) that are securely fastened to withstand high winds and debris impact.
5. **Secure Entries:** Use of reinforced, high-wind-rated exterior doors and bracing or reinforcement for garage doors, where applicable.

Site Risk Reduction

1. **Vegetation Management (Clearance):** Clearance of vegetation and trimming of trees on the parcel immediately surrounding the dwelling to reduce the risk of wind-thrown debris impacting the structure.
2. **Secured Proximity:** Removal or secure storage of any unattached or loose items on the property that could become dangerous wind-borne projectiles.

Note on Legal Compliance: All specified mitigation methods are subject to final approval by the Guam Department of Public Works (DPW) or Guam’s regulatory agency as determined by DPW to ensure full compliance with the current GTBC and all applicable federal regulations.

10.4 Universal Accessibility Design

The GHURA CDBG-DR program is committed to promoting equitable access and allowing households to age in place by integrating universal design features into all housing units (rehabilitation and reconstruction), regardless of whether a specific reasonable accommodation request has been submitted.

Standard Universal Accessibility Features



Reconstructed dwellings will include the minimum universal accessibility features listed below at no expense to the applicant. However, these improvements will be implemented only as necessary to meet the household's needs and are contingent upon the feasibility of the construction and the specific conditions of the property:

1. **Clearance:** Minimum 36-inch wide doorways for the primary exterior entry, master bedroom, and at least one full bathroom.
2. **Passage:** Minimum 36-inch wide hallways.
3. **Maneuverability:** Adequate clear floor space and turning radius to accommodate a standard wheelchair in the kitchen area and within at least one designated bathroom.
4. **Hardware:** All interior and exterior doors equipped with lever-style handles (instead of knobs).
5. **Access:** At least one primary dwelling entrance designed as a no-step entry (zero-threshold).
6. **Emergency/Safety:** Installation of strobe-enabled smoke detectors for the hearing impaired.
7. **Accessible Bathroom:** At least one full bathroom designed to include:
 - A 30-inch by 60-inch roll-in shower compartment, pre-equipped with grab bars, a permanent or fold-down seat, and a handheld shower wand.
 - A toilet installed at chair height, with surrounding grab bars.
 - A roll-under vanity sink.

Optional Opt-Out for Non-Mandatory Accessibility Features

During the HGA signing event, the GHURA CDBG-DR staff member will detail the universal accessibility design standards provided.

The applicant has the option to decline the specific design elements related to accessible bathrooms if the household does not require these features and no member has requested a formal reasonable accommodation for a disability.

Conditions for Opt-Out:

- **Finality:** The decision to opt-out must be formally documented by completing and submitting a Reasonable Accommodation Form to the GHURA CDBG-DR staff member during the signing event.



- **Alternative Design:** If the applicant elects to opt-out, the designated accessible bathroom will be constructed in a standard configuration, which includes a shower/tub combination, a standard toilet (14–15 inches high), and a standard-height vanity (34–36 inches high).
- **Prohibition on Selection:** Applicants may not select a combination of accessible and standard features; the election to opt-out applies only to the defined accessible bathroom features described above.

Note: The remaining universal features (e.g., 36-inch hallways, lever handles, no-step entry) are considered standard program features and cannot be waived.

10.4.1 Technical Infeasibility and Non-Conformity

While the GHURA CDBG-DR program mandates Universal Accessibility Design, the program recognizes that certain site-specific conditions—particularly in rehabilitation projects—may render full compliance technically infeasible.

Determination of Technical Infeasibility

- **Definition:** Technical infeasibility exists when the existing structural conditions of a dwelling, or the physical constraints of the property (e.g., extreme topography, lot size, or setbacks), make it impossible to provide specific accessibility features in full accordance with the standards.
- **Documentation:** If a standard feature (e.g., a no-step entry) cannot be achieved, the Project Engineer or Contractor must submit a Technical Infeasibility Report to GHURA. This report must document the specific structural or site constraints preventing compliance.
- **Maximum Extent Feasible:** In cases of documented infeasibility, the project must still comply with accessibility requirements to the maximum extent feasible. GHURA will review and approve alternative modifications that provide the highest level of access possible under the circumstances.

Non-Conformity due to Applicant Refusal

- **Mandatory Features:** Applicants may not opt-out of "Standard Universal Accessibility Features" (e.g., 36-inch doorways, lever handles, zero-threshold entry), except for those specific design elements related to accessible



bathrooms as delineated above, as these are integrated into the program's resilient and equitable design standards.

- Refusal to Comply: If an applicant refuses the installation of mandatory universal design features required by the program's master specifications, and such refusal prevents the project from meeting federal or local building codes, the applicant may be deemed ineligible for assistance.
- Policy on Deviations: Any deviation from the approved construction floor plan regarding accessibility must be approved via a formal Change Order and must be reviewed by the GHURA ADA Coordinator to ensure continued compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA).

Regulatory Alignment All non-conformity determinations shall be made in accordance with:

- 24 CFR Part 8 (Section 504): Ensuring no individual is excluded due to a lack of accessible facilities.
- Guam Building Code: Adherence to local life-safety and accessibility statutes.
- Fair Housing Act (42 U.S.C. §§ 3601): Ensuring designs do not discriminate against protected classes.

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11. PRE-CONSTRUCTION

Upon the formal execution of the HGA, the case officially transitions into the Project Mobilization phase. During this phase, several critical activities are undertaken to fully prepare the project for the commencement of physical construction.

Key activities within the Feasibility and Award phase include, but are not limited to, the following:

1. GHURA Architecture and Engineering (A&E): The program, administered by GHURA CDBG-DR, shall assign a qualified and program-vetted A&E staff member to oversee the execution of the construction project.
2. Surveying and Engineering Design: The assigned A&E staff member will arrange for the mandatory property survey and complete the necessary engineering designs and architectural plans for the project scope, as applicable.
3. Finalized Cost Estimation: A&E shall conduct a final site visit to validate and finalize the comprehensive construction cost estimate, ensuring alignment with the maximum assistance cap.
4. Pre-Construction Briefing: The program shall convene a formal meeting with the applicant to review all essential items pertaining to the construction process, project timelines, and communication protocols.
5. Permitting and Approvals: The assigned General Contractor (GC) shall be responsible for obtaining all requisite permits and regulatory approvals necessary to execute the approved construction scope of work in full compliance with Guam local codes and federal regulations.

During this phase, total cost benefit shall be identified and determined within program limits.

11.1 Construction Manager Selection and Assignment

The program shall determine licensed and/or qualified General Contractor (GC) to execute all eligible rehabilitation and reconstruction work. GCs shall be assigned to complete construction services for applicants who have been formally deemed eligible and awarded a grant.



GCs shall be formally assigned by the program, administered by GHURA CDBG-DR, to each project only subsequent to the execution of the HGA. Applicants are explicitly prohibited from selecting, contracting, or directly managing their own general contractors.

The program retains sole authority to assign projects to GCs based on objective criteria, including the GC's documented performance history on prior program construction projects and the GC's demonstrated capacity to accept and execute additional work at the time the project is ready for assignment.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by homeowners not identified through program procedures or not in line with the program policy.

The following quantitative and qualitative performance metrics shall be tracked and continuously evaluated for each property assigned to and completed by a GC:

- Project Speed and Efficiency: Measured by the rate of completion for both pre-construction and physical construction activities.
- Construction Quality: Assessed based on adherence to project specifications, engineering standards, and compliance with all applicable local Guam building codes and federal requirements.
- Customer Service: Evaluated based on the GC's communication, responsiveness, and applicant satisfaction levels.
- Capacity and Resource Availability: Assessed based on the GC's demonstrated ability to accept and effectively manage additional job assignments.

To ensure the expedited recovery of the Territory, GCs exhibiting superior performance in these key metrics, particularly speed and quality, may be prioritized to receive a greater volume of program assignments compared to lower-performing GCs.



11.2 Survey and Design

The General Contractor (GC) shall bear the sole responsibility for procuring and completing all requisite pre-construction documentation and services for the project.

These mandatory pre-construction services include, but are not limited to:

1. **Property Boundary Surveys:** Executing precise property boundary surveys to accurately determine the placement of the new structure on the site, ensuring strict compliance with all municipal setback boundaries and local zoning ordinances. Given the nature of reconstruction, most projects will necessitate a current property boundary survey.
2. **Elevation Certificates:** Obtaining current elevation certificates, where required by federal or local floodplain management regulations.
3. **Architectural & Engineering Design:** Securing and finalizing all necessary engineering designs, architectural plans, and specifications, as applicable to the complexity and scope of the project as approved eligible and accepted by GHURA CDBG-DR.

The GC is further responsible for ensuring that all construction activities and the final structure fully satisfy and adhere to all applicable local Guam requirements and federal standards throughout the duration of the construction process.

11.3 Cost Estimation and Scope of Work

All costs incurred by the program for rehabilitation or reconstruction must strictly adhere to the cost principles outlined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200, Subpart E). The program incorporates developed construction standards directly into the baseline pricing for each reconstruction project.

1. **Initial Package:** The program shall provide the selected GC with a preliminary scope of work and the determined floor plan.
2. **Site Evaluation:** The GC must visit each subject property to thoroughly evaluate site-specific conditions that require integration into the program's final cost estimate. The applicant or their designated representative must attend this site visit.



3. **Scope Submission:** Following the site visit and the incorporation of all necessary site-specific line items into the scope of work, the GC shall submit the finalized scope to the program for comprehensive review and approval.

The program must formally approve each scope of work prior to the GC initiating any physical construction activities. Once approved, the program scope of work is considered final and may only be modified through a fully executed, written Change Order.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by homeowners not identified through program procedures or not in line with the program policy.

11.4 Pre-Construction Meeting

Following the formal approval of the scope of work by the program, the assigned GC and the GHURA CDBG-DR staff member shall jointly convene a pre-construction meeting with the applicant.

The primary objectives of this meeting are to formally orient the applicant regarding the immediate next steps, furnish the applicant with the finalized construction documentation, and address any construction-related inquiries the applicant may possess.

The pre-construction meeting must cover, but is not limited to, the following key topics:

1. **Applicant Responsibilities:** Both applicants and GCs will be provided with a formal written document clearly outlining the specific responsibilities incumbent upon the applicant during the construction phase.
2. **Formal Scope of Work:** GHURA CDBG-DR shall present the applicant with a copy of the program-approved scope of work. This document must include a copy of the final floor plan being offered for construction.
3. **Style Selection Options:** Applicants may select from specific aesthetic options to customize their program-provided floor plan which does not affect the structural integrity of the plan, remain consistent with federal fund construction regulations and does not affect overall cost approval. However,



all selections are subject to final approval by the Architecture and Engineering (A&E) team to ensure strict adherence to project specifications, engineering standards, local building codes, and federal requirements.

11.5 Permitting and Code Compliance

The assigned GCs are strictly required to execute all program-sponsored construction activities in full adherence to all applicable federal, territorial (Guam), and local building codes and regulatory requirements.

The GC is solely responsible for determining the necessity of, and for acquiring, all required permits to complete the program-approved scope of work from the Authority Having Jurisdiction (AHJ) for code compliance in Guam. Required permits may include, but are not limited to:

1. New Construction (Building) Permit
2. Electrical Permit
3. Plumbing Permit
4. Grading Permit

Applicants may be required to execute formal documents that authorize the GC to obtain the necessary permits from the AHJ. Given the variability of project requirements, the specific documents requiring the applicant's signature may differ. If required to sign or complete such documents in support of the permitting process, the applicant must do so within fifteen (15) days of being presented with them.

Code compliance for the completed structure shall be definitively confirmed via the issuance of a Certificate of Occupancy (or equivalent official clearance), issued by the DPW. The GC must present this certificate to the program to successfully pass the final program inspection.



12. CONSTRUCTION

12.1 Floodplain Management and Elevation Requirements

The program shall strictly adhere to guidance from HUD to ensure that all structures, as defined in 44 CFR § 59.1 (National Flood Insurance Program regulations), that meet the following criteria comply with mandatory elevation requirements:

1. The structure is designed principally for residential use.
2. The structure is situated in the 100-year or 500-year floodplain.
3. The structure receives assistance for new construction, substantial damage, or substantial improvement, as defined at 24 CFR § 55.2(b)(10).

For all qualifying structures, the lowest floor, including any basement, must be elevated at least two (2) feet above the Base Flood Elevation (BFE).

To confirm compliance with this HUD-mandated elevation standard, the program will be responsible for ordering and obtaining certified elevation certificates for all construction projects where required by federal or local floodplain regulations.

12.2 Eligible Construction Activities

GCs are strictly authorized to execute only those construction activities duly detailed within an approved program Scope of Work (SOW) or formalized via an approved Change Order. Applicant requests for upgrades, modifications, or supplemental work shall not be considered. All work outlined in the SOW is subject to the total established maximum assistance award cap.

Program SOW may incorporate the following categories of eligible activities:

1. Rehabilitation: Structural repair activities designed to restore a damaged home to a safe, decent, and sanitary condition, ensuring compliance with all current building codes.
2. Reconstruction: This activity entails the demolition, removal, and lawful disposal of the destroyed structure (where applicable), followed by the construction of a new property. The new structure shall be placed in substantially the same footprint as the original and will adhere to all federal, territorial (Guam), and local building codes and requirements. No custom-



designed homes are authorized unless specifically required to address legally constrained lot conditions.

3. **Site Work:** Site-specific construction activities necessary to complete the project that are external to the primary structure. This includes, but is not limited to, flatwork, grading, repair or replacement of septic systems, repair or replacement of wells, and necessary tree trimming or removal.
4. **Environmental Abatement:** Activities required to deliver a decent, safe, and sanitary property free from identified hazards. These may include, but are not limited to, lead-based paint removal or mitigation, asbestos abatement, or archaeological monitoring. Costs associated with environmental clearance inspections are also allowable.
5. **Historic Preservation (Section 106):** Activities imposed by the State Historic Preservation Office (SHPO) or other AHJ to prevent an adverse effect on a historic or cultural resource, as required under the National Historic Preservation Act (NHPA) of 1966, as amended. Such mandated activities may be included in the program SOW.
6. **Safety Measures:** All assisted homes will be equipped with smoke and carbon monoxide detectors, installed in accordance with local code requirements.
7. **Mitigation Measures:** Specific measures designed to make homes more resilient to future disaster events may be included in the program SOW.

All construction work completed by the program will exclusively utilize standard, builder-grade materials, regardless of the quality of preexisting materials. Applicant-requested upgrades, additions, or modifications to the approved construction scopes of work will not be considered.

Furthermore, applicants are prohibited from paying out-of-pocket for upgrades, additions, or modifications concurrent with program-sponsored construction. Any work initiated by GCs prior to formal program authorization is undertaken at the GC's sole risk.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by homeowners not identified through program procedures or not in line with the program policy.

12.2.1 Damages from Subsequent Disaster Events



During Construction

If an unforeseen disaster event occurs during the period of rehabilitation or reconstruction, the program shall assume responsibility for any resultant damage and shall ensure the property is reconstructed in a suitable manner to achieve all necessary Certificates of Occupancy and code clearances in addition to GC's site insurances bonding and other standard regulatory requirements. (See *Appendix B - Forms: Applicant Responsibility & Acknowledgment During Construction*)

12.3 Post-Construction Warranty

All construction work completed under the program is backed by a comprehensive 18-month general warranty, which covers the entirety of the program-assisted unit and commences upon the formal release of keys to the applicant. The assigned GC is responsible for providing this warranty and addressing any valid issues that arise during the coverage period. To maintain this coverage, the homeowner must notify the contractor of any observed defects immediately upon discovery. If the contractor fails to rectify a documented issue within thirty (30) days of receiving notice, the homeowner may, after providing written notification to both the contractor and GHURA CDBG-DR, arrange for the necessary repairs and recover the reasonable costs from the contractor.

To ensure beneficiaries remain informed of their coverage status, the program will issue formal notifications to homeowners at specific intervals, including a one-year update and a final notice one month before the warranty expiration date. It is important to note that any modifications, additions, or alterations made to the assisted property by the applicant during the 18-month period will immediately void the warranty. In such instances, both the GC and the program are absolved of all responsibility for subsequent repairs or deficiencies. This policy is formally enforceable through the program's After Project Completion (APC) Acknowledgment Form, as detailed in Appendix B - Forms.

All construction work completed by the program shall be accompanied by a comprehensive 18-month general warranty. This warranty covers the entirety of the program-assisted unit, commencing upon the formal release of keys to the applicant.

The assigned GC is responsible for both providing the warranty and addressing any valid warranty issues that arise during this 18-month coverage period. The



homeowner must notify the contractor of any observed defects immediately after discovery. If the contractor fails to correct the issue within thirty (30) days after receiving documented notice, the homeowner may, after informing both the contractor and GHURA CDBG-DR in writing, arrange for the repair and recover the reasonable costs from the contractor.

If the applicant chooses to make modifications, additions, or otherwise affects or alters the assisted property during the 18-month warranty period, the warranty will be immediately voided. Consequently, the GC and the program will be absolved of responsibility for any subsequent repairs or deficiencies.

This section is enforceable through the program's After Project Completion (APC) Acknowledgment Form in Appendix B – Forms.

After Project Completion

Following the satisfactory completion of construction and the formal key turnover to the applicant, any subsequent damages caused by future disasters or events become the sole responsibility of the homeowner. The program's contractual and financial obligation for the structure ceases upon the official completion and transfer of the repaired or reconstructed home.

12.4 Progress Inspections

All program construction projects are subject to mandatory quality assurance inspections. Each site shall have no less than 50% inspection and a final construction inspection. The primary objective of these program inspections is to confirm that all construction work adheres to the approved program SOW and meets sufficient quality standards.

It is critical to note that program inspectors do not function as municipal code inspectors. Program inspections do not supersede the required municipal code inspections mandated by the AHJ.

GCs are solely responsible for coordinating and ensuring the passage of all required municipal code inspections necessary to close permits and obtain the final Certificate of Occupancy (or equivalent Certificate(s) of Completion). Copies of all clearances and inspections shall be provided to GHURA CDBG-DR Housing.



The GC must successfully pass the 50% Inspection before requesting the final construction inspection. The GC or the GC's authorized representative must be present at every inspection conducted by the program.

GHURA CDBG-DR requires 24-hour notice for all scheduled inspections. If this requirement is not met, GC shall provide in writing inspection determination and copy of report and/or corrective action is necessary.

Inspections may result in failure if required work is incomplete, if the work quality is deemed unacceptable, or if the GC or their representative fails to attend the scheduled inspection. Failed 50% or final construction inspections will be formally considered when evaluating GC performance for purposes of future project assignments.

The program will not offer punch list inspections. All work required to be complete on the project must be finished and acceptable at the time of the final construction inspection in line with the pre-construction scope of work and timeline records.

12.4.1 Requirements for 50% Construction Inspection

To successfully pass the program's 50% construction inspection, all following conditions must be met concurrently at the time of the scheduled inspection. Adherence to these requirements is mandatory for continued funding authorization.

During the 50% inspection, the structure must remain unenclosed. Interior walls and ceilings must not be covered by gypsum board or other finishing materials, allowing the program inspector full visibility and access to examine all internal components.

All listed items must be complete and fully verifiable on-site:

- Debris Removal: All disaster-related and construction-generated debris must have been removed from the site and properly disposed of at a facility authorized to accept such waste.
- Foundation: The foundation system for the structure must be fully complete.
- Framing: The structural framing must be complete, and evidence of a passing municipal framing inspection must be present on the site for review.
- Roof: The roof structure and covering must be complete.
- Exterior Siding: The exterior siding must be fully installed.



- Windows: All exterior windows must be fully installed and sealed.
- MEP Rough-Ins: The Mechanical, Electrical, and Plumbing (MEP) rough-in installations must be complete, with evidence of a passing municipal rough-in inspection for each system present on the site.

Passing this inspection confirms the structural integrity and adherence to the approved scope prior to enclosure, minimizing the risk of hidden defects.

12.4.2 Requirements for Final Inspection

To successfully pass the program's final construction inspection, the rehabilitation or reconstruction work must be 100% complete, and full municipal approval must be achieved, evidenced by a Certificate of Occupancy (or equivalent official clearance) issued by the AHJ.

All of the following items must be complete, functional, and present on-site at the time of the program's inspection:

5. Certificate of Occupancy: The official, final Certificate of Occupancy (or equivalent) from the AHJ must be present on site.
6. Site Work Completion: All exterior site work must be finished, including final grading, flatwork (e.g., walkways, driveways), and the installation of wind-resistant cover.
7. Construction Quality: All construction is complete and is of satisfactory quality, aligning precisely with the program-approved floor plan, SOW, and any duly authorized Change Orders.
8. Utilities: All utilities (electrical, water, sewer/septic) must be fully reconnected and confirmed to be functioning correctly.
9. Appliances: Appliances must be properly installed and functioning as intended.
10. Floodplain Compliance: If the assisted structure is located within the 100-year or 500-year floodplain (according to the effective Flood Insurance Rate Map – FIRM), a final Elevation Certificate must be provided. This certificate must confirm that the lowest finished floor is constructed at or above the most stringent requirement among HUD, FEMA, or local code standards.
11. Warranty Documentation: The comprehensive 18-month general warranty must be issued, and the warranty booklet must be present in the home for the applicant.



12. Applicant Signature: Applicant's acknowledgment by signing the GHURA CDBG-DR After Project Completion Acknowledgment Form.

This final inspection confirms the property is officially ready for key turnover and is compliant with all regulatory and program standards.

12.5 Change Order Protocol for Scope Modification

It is recognized that the originally approved construction SOW may require necessary alteration to successfully deliver a safe, decent, and sanitary property within acceptable project timeframes. The program authorizes the use of Change Orders as the sole mechanism for modifying the program-approved SOW.

1. Change Orders must be formally initiated by the assigned GC and must receive prior written approval from GHURA's CDBG-DR authorized designee before additional work can begin. Requests for changes initiated by the applicant will not be considered under any circumstance.
2. The GC must provide substantive justification for the necessity of the change order and must demonstrate that all associated costs are reasonable, allowable, and comply with federal cost principles.
3. Except for items posing an immediate health or safety risk, GCs must obtain formal, written approval of the Change Order from GHURA CDBG-DR prior to commencing any work not included in the original program-approved SOW.

All Change Order requests must be formally submitted and fully approved prior to the GC requesting a program final inspection. GC requests for a Change Order submitted after the project has successfully passed the program final inspection will not be considered.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by Homeowners not identified through program procedures or not in line with the program policy.



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13. APPLICANT RESPONSIBILITIES

For the program to successfully provide rehabilitation and reconstruction assistance, the applicant's consistent participation and full compliance with all program timeframes, directives, and requests are essential.

It is imperative that applicants understand that the CDBG-DR program is entirely voluntary. Applicants who determine that they are unwilling or unable to comply with all, or any portion, of the required applicant responsibilities reserve the right to withdraw from the program at any time prior to the commencement of physical construction.

Failure to adhere to the established program timeframes and compliance directives after the grant agreement is executed may result in the applicant being formally deemed non-compliant, potentially leading to the termination of the grant agreement and the closure of the case.

13.1 Flood Insurance

The National Flood Insurance Reform Act (NFIRA) of 1994 (Public Law 103-325, as amended) governs the requirements for the purchase and maintenance of flood insurance as a condition for receiving federal disaster assistance.

Applicants who previously received federal flood disaster assistance that was conditioned on obtaining and maintaining flood insurance under federal law, but who failed to obtain and continually maintain the required insurance, shall be deemed ineligible for assistance under this program.

All applicants receiving program assistance for properties located within a FEMA-designated Special Flood Hazard Area (SFHA), or other applicable floodplain as identified on the effective FIRM, must submit proof of having secured and paid for continuous flood insurance coverage prior to receiving the keys to the assisted property. This ensures compliance with the mandatory purchase requirements associated with federal assistance.



13.1.1 Prohibition of Assistance for Lack of Flood Insurance Coverage

When a property owner located within a SFHA, or other floodplain as designated on the effective FIRM, permits their flood insurance policy to lapse, it indicates an acceptance of responsibility for future flood damage.

In accordance with an alternative requirement established by HUD (90 FR 1754), the program is prohibited from providing assistance for the reconstruction of a property if all three of the following conditions are met:

1. The applicant's combined household income is greater than either 120 percent of Area Median Income (AMI) or the National Median Income (whichever is greater).
2. The property was located in a FEMA-designated floodplain at the time of the disaster event.
3. The property owner did not obtain flood insurance on the damaged property, even if federal law did not strictly require the homeowner to obtain and maintain such insurance (e.g., the property was not secured by a federally backed mortgage).

This provision ensures equitable resource distribution by limiting reconstruction assistance to higher-income homeowners who have demonstrated a deliberate choice not to mitigate their flood risk.

13.2 Applicant Compliance and Timeliness

Throughout the entire life of an applicant's participation in the program, from initial application submission through case closeout, the applicant is required to maintain active participation and respond to all requests, directives, and requirements from the program in a timely manner. At no point shall a formal request from the program remain unanswered for a period exceeding thirty (30) calendar days.

The program shall issue a Pending Action Notice to applicants with outstanding, unresolved requests. This notice serves as a formal communication, informing the applicant of the specific required action(s) necessary to advance the case and explicitly stating that failure to complete the required action within thirty (30) calendar days of the notice date will result in the administrative closure of the applicant's case.



Common reasons for issuing a Pending Action Notice include, but are not limited to:

1. **Documentation Requirements:** The program requires specific documentation from the applicant at various phases. This includes both documents the applicant must produce (e.g., deeds, financial statements) and documents generated by the program that the applicant must sign (e.g., authorization forms, grant agreements). Applicants must submit and/or sign all requested documents in a timely manner.
2. **Scheduling and Attendance:** The program requires the applicant's cooperation and mandatory participation at key milestones. Applicants must schedule and attend all required appointments, inspections, or other required meetings in a timely manner. The program will make reasonable, good-faith attempts to coordinate schedules based on applicant availability. Applicants who repeatedly refuse to schedule or attend required appointments may be issued a Pending Action Notice.

Applicants who fail to take the required action(s) within thirty (30) days of the issuance of the Pending Action Notice will have their case administratively closed.

Applicants who require assistance, clarification, or a formal extension to the 30-day timeframe to resolve a pending action must submit a written request for assistance or extension within the initial 30-day window. Extensions shall be considered solely on a case-by-case basis.

13.3 Applicant Responsiveness

The program shall make diligent and reasonable attempts to contact applicants for the purpose of scheduling mandatory meetings, collecting essential documentation, or obtaining other necessary information to advance the case.

If the program executes three (3) consecutive unsuccessful attempts to contact an applicant without receiving any subsequent follow-up contact from the applicant, the applicant will be formally issued a Non-Responsive Notice.

This notice shall:

1. Provide the program's contact information.
2. Advise the applicant of the critical next steps in the application process.



3. Notify the applicant that they must contact the program or complete the required action within fourteen (14) calendar days of the notice date.

If the applicant fails to contact the program or complete the required action within the fourteen (14)-day period allotted, the application will be administratively closed.

Furthermore, applicants who become non-responsive after construction activities have commenced may be subject to a formal demand to repay the program funds expended on construction activities up to the point of case closure, as their non-compliance hinders the successful completion and closeout of the federal grant.

13.4 Applicant Responsibilities During the Construction Phase

The Construction Phase officially commences upon the execution of the HGA by the applicant and co-applicant (if applicable), and concludes when the property successfully passes the program's final inspection and the keys are released.

The applicant is bound by the following mandatory responsibilities and acknowledgments throughout this phase:

Financial and Award Acknowledgments

1. Duplication of Benefits (DOB) Gap: The applicant understands that if the amount of previous assistance received, minus applicable offsets, is greater than \$0.00, a DOB gap is created. This DOB gap must be fully satisfied (reduced to zero) prior to the execution of the HGA. The DOB gap funding remitted by the applicant will be utilized in conjunction with CDBG-DR funds to complete the rehabilitation, reconstruction, or replacement of the home.
2. Waiver of Appeal Rights: The Applicant acknowledges that upon execution of the grant agreement, they formally waive any future right to appeal or contest the final determinations of eligibility, the award amount, the approved SOW, the results of all inspections, and all funding requirements (including the DOB gap calculation and any required DOB gap funding). From the effective date of the HGA, all decisions made by GHURA CDBG-DR or its contractors are final and non-appealable.
3. Construction Standards: The applicant understands that the necessary SOW is determined and approved by GHURA CDBG-DR and utilizes standard, economy-grade building materials, not materials intended to match the quality



or price of replacing the property or its components with like or similar materials. The property will be built or repaired strictly in accordance with the approved SOW, and the applicant cannot request any customization or changes.

4. Financial Disclaimer: The applicant understands that the program will not pay the cost of mortgage payments and/or lot rent, if applicable, throughout the duration of construction.
5. Property Tax Impact: The applicant understands that upon completion of the program's construction efforts, the appraised value of their property may increase. Consequently, the property taxes owed by the applicant may increase as a result of program participation.

Site Access and Compliance

6. Permitting Cooperation: Applicants must promptly coordinate with their assigned GC to sign any required permitting documents in a timely manner.
7. Property Access: The property owner must grant the GC and program representatives full, uninterrupted access to the property, by signing the Right of Entry Release Form, until construction is complete and/or the property owner is officially authorized to move back into the residence. Authorized persons must give the participant(s) at least 24 hours notice of Right of Entry to gain access to the property.
8. Inspection Attendance: The property owner must allow inspections to be performed by program representatives and municipal code inspectors. In the event the property owner's presence or assistance is required to facilitate access, the property owner must coordinate and schedule in a timely manner.
9. Site Interference Prohibition: The property owner must not interfere with the project site. For safety reasons, property owners must maintain distance from the construction area. Property owners are explicitly prohibited from directing program construction activities or providing instructions to the GC regarding construction means and methods. In the event participant(s) unreasonably interferes with the work or inspections of the property, authorized program designees shall deliver written notice to GHURA CDBG-DR. If participant(s) do not cease the activities specified in the notice within three (3) calendar days, participant(s) may be prohibited from participating in the CDBD-DR program



and may be required to reimburse GHURA CDBG-DR for the work completed on the property by any contractor, subcontractor or other designees. GHURA CDBG-DR shall determine if participant(s) have violated this provision of the agreement, and impose a resolution for the violation. Participant(s) shall be given written notice of the remedy imposed for violation, and given the opportunity to file a grievance regarding the decision within five (5) business days. Participant(s) will cooperate with the contractor to ensure that all utilities, including water, sewer and electrical service, are available and supplied to the property for the duration of the project.

10. **Site Clearance:** All debris, abandoned vehicles, and structures that impede construction efforts, permitting efforts, or otherwise pose a safety or health threat (as determined by the local jurisdiction or a qualified person) must be removed from the property within thirty (30) days from the pre-construction meeting. Failure to remove personal belongings or any other impediments from the property within this 30-day period may result in the administrative closure of the application.
11. **Utility Accounts:** The applicant is responsible for ensuring all utility accounts remain current throughout construction to allow for the immediate reconnection or reinstatement of services upon construction completion.
12. **Pet and Animal Management:** The property owner must remove and/or adequately secure any animals or pets that remain on the property during construction. The program will not cover costs associated with the removal or boarding of animals. Homeowners are solely responsible for the welfare of animals and any damage caused by animals remaining on site during construction.



Post-Construction and Tenure Obligations

13. **Occupancy and Insurance:** The applicant understands that they are required to occupy the home and maintain necessary homeowner's insurance for the applicable compliance period following the completion of construction.
14. **Recapture Clause:** The applicant understands that if they sell the home or discontinue the use of the home as their primary residence within the compliance period, they may be subject to a formal requirement to repay the program based on the property's fair market value, along with any interest, penalties, and other CDBG-DR program-determined fees and applicable recapture policies. (See *Appendix B - Forms: Recapture Clause Acknowledgement Form*)

Grounds for Termination and Recoupment

15. **Abusive Behavior:** The use of threatening or abusive behavior toward program staff or contractors, including but not limited to the use of profanity, derogatory language, and threats of physical violence, will not be tolerated. Ongoing and/or severe abusive behavior may result in the termination of the program award, and the applicant may be subject to repay any program funds expended on the project.
16. **Non-Compliance Termination:** If reasonable and timely access to the property is denied by the applicant, or if any of the mandatory stipulations outlined above are not met, the program reserves the right to terminate the award, and the applicant will be formally required to repay any program funds expended on the project up to that date.

13.5 Compliance Period

Applicants receiving assistance under the program must agree to the terms of the tiered compliance period. This period is based on the total amount of CDBG-DR assistance provided for the rehabilitation or reconstruction of the property, as detailed below.

To enforce compliance during the applicable period, the program shall record a zero-interest mortgage, promissory note, and restrictive covenant against the assisted property. This legal instrument will be recorded within the official property records at the Guam Department of Land Management (DLM) and will subject the property to



regular monitoring throughout the compliance period. The mortgage secures the program's right to recapture CDBG-DR funds in the event of the applicant's non-compliance or the sale or transfer of the assisted property.

Compliance Period and Recapture Provisions

Tier	CDBG-DR Award Amount	Compliance Period (Years)	Recapture Obligation
Tier 1	Up to \$100,000	5 Years	Terms and Conditions: Owners must occupy the home as their primary residence during the entire term. Occupancy Period is based on the awarded amount and begins after project completion. Property must remain the owner's primary residence for the full period or funds may be subject to recapture. (See Section 13.4 #14: Recapture Clause.
Tier 2	\$100,001 to \$200,000	10 Years	
Tier 3	\$200,001 to \$300,000	15 Years	
Tier 4	\$300,001 to \$350,000	20 Years	

Table 9: Compliance Period

The following provisions apply to all tiers unless otherwise specified:

- Recipients of grant assistance are mandated to maintain the subject property as their primary residence for the duration of the established occupancy period, as determined by the total award amount. Non-compliance with these residency provisions shall trigger a recapture of funds. The repayment amount shall be calculated based on the property's current fair market value, inclusive of accrued interest, administrative penalties, and any additional fees or recapture assessments, as defined by the CDBG-DR program, outlined by benefit amortization schedule.
- The Guam Housing and Urban Renewal Authority (GHURA), or its designee, retains the right of first refusal for the purchase of an assisted property across all tiers in the event the Applicant initiates a sale.
- All restrictions enforced by the mortgage, note, and restrictive covenant shall remain attached to the property even if the homeowner passes away during the compliance period.
- Estate Planning Assistance: Participating homeowners will be offered voluntary referrals to other CDBG-DR funded programs that provide assistance for



completing family estate planning, ensuring the property can be passed on as intended.

- Land Restriction Referral: Participating homeowners may voluntarily request a referral to an organization that offers a 99-year land restriction agreement.

Exceptions and Special Considerations

GHURA recognizes the unique nature of individual housing situations. Therefore, if other unforeseen circumstances not specifically contemplated in these policies and procedures arise, the Program will review the matter on a case-by-case basis under its formal Exceptions and Special Considerations Process and/or seek guidance through HUD.

13.6 Property Foreclosure/Short Sale

In the event that the assisted property undergoes a formal foreclosure or short sale, any CDBG-DR funds that are recaptured through this process will be administered and processed strictly in accordance with the requirements detailed in the program's Default Provisions Section 13.6.1 below.

In specific, legally complex cases, GHURA CDBG-DR will dictate the necessary steps for participating in the foreclosure or short sale process and the subsequent collection of funds. In all such instances, GHURA CDBG-DR will strictly adhere to all applicable Territory of Guam and federal laws governing the execution of the zero-interest mortgage and the recapture of federal funds.

13.6.1 Default Provisions

Applicants receiving program assistance for their primary residence must formally agree to: (1) maintain legal ownership of the program-assisted home; (2) maintain all required insurance coverage; and (3) use the home as their sole primary residence throughout the applicable compliance period. This period is formally established and detailed within the executed HGA.

Recapture Due to Non-Compliance

Should a homeowner-occupant applicant sell the home or discontinue its use as a primary residence within the applicable compliance period, the applicant will be subject to the repayment based on the property's fair market value, along with any



interest, penalties, and other CDBG-DR program-determined fees and applicable recapture policies. The specific amount of benefit subject to repayment will be determined based on the annual amortization schedule of the grant over the applicable compliance period.

Extenuating Circumstances for Forgiveness

The program permits the forgiveness of compliance period terms under the following extenuating circumstances:

1. **Death of Applicant:** If the applicant dies during the compliance period, the legal heirs may choose to occupy the home as their primary residence for the remainder of the compliance period. If the heir(s) elect not to occupy the home as their primary residence, the un-amortized portion of the assistance amount will be formally recaptured by the program.
2. **Military Service Deployment:** In the event of a mandatory military transfer or deployment that impacts the applicant's ability to maintain the primary residency requirement, the applicant must notify GHURA CDBG-DR. Such instances will be reviewed and considered on a case-by-case basis to determine the impact, if any, on compliance and recapture obligations.
3. **Permanent Healthcare Placement:** If the applicant must relocate to a long-term healthcare facility or nursing home, the applicant or their designee must notify GHURA CDBG-DR. To avoid award recapture, the property must continue to be maintained as the primary residence of a legal heir or court-appointed successor. Such cases will be reviewed on a case-by-case basis upon submission of medical documentation and proof of the successor's residency.
4. **Other Unforeseen Circumstances:** Other circumstances deemed beyond the applicant's control that demonstrably prevent the ability to own and/or occupy the program-assisted home as a primary residence will be considered and reviewed on a case-by-case basis under the program's exceptions and special considerations process.

13.7 Subordination

The program acknowledges that applicants may seek to refinance their property during the CDBG-DR compliance period. All requests for subordination of the program's recorded zero-interest mortgage, promissory note, and restrictive



covenant will be reviewed on a case-by-case basis strictly in accordance with the established policy detailed below.

Policy on Subordination Requests

1. **Non-Guaranteed Approval:** Subordination requests are not guaranteed. GHURA CDBG-DR reserves the right to deny any request that may jeopardize the integrity of the federal investment or the enforceability of the program's recapture provisions.
2. **Purpose of Subordination:** Subordination will only be considered for the purpose of refinancing the primary mortgage. It will not be granted to facilitate home equity loans, lines of credit, or any other type of junior debt instrument.
3. **No Cash Out:** The proposed refinance transaction must not result in any "cash out" proceeds being distributed to the applicant, except for funds necessary to pay off the existing first mortgage and standard, reasonable closing costs.
4. **Term and Amount Review:** GHURA CDBG-DR will review the terms of the new proposed mortgage to ensure that the principal amount and the repayment schedule do not place an undue financial burden on the applicant that could increase the risk of foreclosure.
5. **Compliance Maintenance:** The applicant must be in full compliance with all terms of the HGA at the time the subordination request is submitted and approved.

GHURA CDBG-DR will review each request thoroughly to protect the federal interest while recognizing the homeowner's need for reasonable financial flexibility. The program will not consider subordination of home equity loans or lines of credit.

13.7.1 Request for Subordination

Subordination requests will not be granted to homeowners seeking funds for purposes such as "cash-out" proceeds or debt consolidation. The refinance must solely be for the purpose of adjusting the primary mortgage terms.

For a subordination request to be formally considered, the prospective lender must submit the following mandatory information to the program for review a minimum of five (5) business days prior to the proposed closing date:



1. **Formal Request Letter:** A letter explicitly requesting the subordination. This letter must include a detailed comparison of the existing mortgage and the new proposed mortgage, specifying the principal amount, term, interest rate, and PITI (Principal, Interest, Taxes, and Insurance), and must expressly confirm that there will be no "cash out" proceeds distributed to the borrower.
2. **Loan Estimate:** A complete copy of the official Loan Estimate for the proposed new mortgage.
3. **Appraisal:** A copy of the current certified appraisal for the property.

These materials will be submitted to the GHURA CDBG-DR for thorough review and final approval.

If the subordination request is approved, the program will provide written notification to the lender, the homeowner, and the title company. The authorized GHURA CDBG-DR representative will execute the subordination agreement. The original subordination agreement will be provided to the lender, and a copy will be officially retained in the homeowner's file within the Program's System of Record. (See *Recordkeeping and Retention Policy*)

13.8 Mortgage Release and Default Provisions

Upon the applicant's successful completion of the applicable compliance period and fulfillment of all terms and conditions of the HGA, a Satisfaction of Mortgage will be issued.

GHURA CDBG-DR, the authorized agent, will be jointly authorized to prepare, approve, and execute all satisfaction documents to formally release the mortgage and related legal instruments filed in conjunction with this program.

Recapture and Payment Upon Default

If the homeowner fails to continuously occupy and homestead the property as their primary residence for the full term of the mortgage (i.e., the compliance period), the non-amortized amount of the mortgage will be immediately due and payable.

- **Payment Due:** No monthly payment amounts are due under the zero-interest note unless a trigger event occurs during the affordability period, such as the



sale, refinancing (not approved subordination), non-occupancy, or transfer of the property.

- **Payment Plan:** The program may work with the homeowner to establish a reasonable payment plan to repay the outstanding balance.
- **Interest Accrual:** No interest will accrue on the note unless the homeowner fails to make repayment in accordance with the established terms of the note and any subsequent payment plan.

13.9 Recapture and Repayment of CDBG-DR Assistance

In specific and rare instances, an applicant may be required to return program-awarded funding. The program is fully responsible for recapturing DOB and for collecting funds from applicants who become non-compliant with the terms of the HGA. The repayment obligation for non-compliance may include the principal grant amount, along with any accrued interest, penalties, and other program-determined fees, based on the property's fair market value.

All applicant files will be continuously reviewed and reconciled to ensure accurate DOB calculations and compliance with all federal guidelines and program requirements.

Repayment Notification and Dispute Resolution

1. **Repayment Notification:** If the program identifies an applicant as having received a potential overpayment or becoming non-compliant, the program will formally document the amount and basis for the repayment in writing via a Repayment Notification.
2. **Applicant Appeal:** Applicants who dispute the determined repayment amount may appeal the determination within thirty (30) days of receipt of the Repayment Notification.
3. **Collection:** If the applicant's appeal is denied, or if the applicant fails to contest the determination within the allotted timeframe, the program will proceed with collecting the repayment amount.
4. **Revised Agreement:** If the appeal process results in a revision of the award amount or eligibility, the applicant will be required to execute a revised HGA detailing the changes and the new requirements for repaying any remaining overdue balance.



Repayment Terms and Fund Management

Once the Repayment Plan Agreement is finalized, the applicant must repay the funds in a timely manner.

- **Payment Structure:** Repayment is required in full as a single lump-sum payment. Should any payment be delinquent by more than 30 days, GHURA CDBG-DR reserves the right to declare the Applicant in default. Upon default, the entire outstanding balance shall be accelerated and become immediately due as a balloon payment. GHURA CDBG-DR may further initiate collection proceedings in accordance with 24 CFR 570.489(j) and applicable local statutes.
- **Financial Hardship:** The program will review applicant claims of financial hardship on a case-by-case basis and may make limited accommodation for a structured payment plan.
- **Interest:** No interest will accrue on the note unless the homeowner fails to make repayment in accordance with the established terms of the note.

All funds recovered under this policy will be tracked in the Disaster Recovery Grant Reporting system (DRGR) and returned to the CDBG-DR account or to the U.S. Treasury if the CDBG-DR grant has been formally closed out. Recaptured funds are considered program income.

Exceptions to Collection (HUD Universal Notice)

In accordance with the Universal Notice (FR-1754-N-05)¹³, HUD has established specific circumstances where the collection of a DOB is not required as it is deemed not to be in the best interest of the federal government. This exemption applies exclusively to LMI beneficiaries who, after the receipt of CDBG-DR assistance, are:

1. Deceased.
2. Subject to a foreclosure action on a property rehabilitated, constructed, or reconstructed with CDBG-DR funds.

¹³FR-1754-N-05, <https://www.govinfo.gov/content/pkg/FR-2025-01-08/pdf/2024-31621.pdf>



3. A debtor in a bankruptcy proceeding or who recently exited a bankruptcy proceeding (or similar proceeding for insolvent debtors under territorial law, such as an assignment for the benefit of creditors).

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14. VOLUNTARY APPLICANT WITHDRAWAL

An applicant may formally request to withdraw from the program at any time before physical construction commences.

While voluntary withdrawal is highly discouraged after the HGA has been executed, as preparatory construction activities and significant administrative resources may have already been expended, any such request will be evaluated on a case-by-case basis.

Withdrawal Procedure

1. **Request:** Applicants may indicate a desire to withdraw to any program representative. Although written submission is preferred for documentation purposes, it is not strictly required to initiate the process.
2. **Voluntary Withdrawal Notice:** Following the applicant's request to withdraw, the applicant will be issued a Voluntary Withdrawal Notice.
3. **Rescission Period:** This notice officially informs the applicant that the program has received their request and provides a period of fourteen (14) calendar days from the date of the letter to officially rescind the withdrawal request.
4. **Case Closure:** If the applicant fails to rescind the voluntary withdrawal request within the 14-day period, the applicant's case will be officially closed as withdrawn.

Withdrawal after the execution of the HGA may expose the applicant to repayment obligations for any CDBG-DR funds expended prior to the case closure, as detailed in the program's recapture policies.

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15. FRAUD, WASTE, AND ABUSE

The Guam Housing and Urban Renewal Authority (GHURA) maintains a zero-tolerance policy regarding fraud, waste, and abuse in the administration of any program. In strict compliance with the Guam CDBG-DR Fraud, Waste, and Abuse Policy, adopted by the GHURA Board of Commissioners via Resolution No. FY2025-029¹⁴, or any subsequent resolutions thereafter. All activities conducted within this program shall be compliant with GHURA CDBG-DR DOB policies mentioned above, the program is committed to the highest standards of ethical conduct and fiscal accountability. This policy applies to all program staff, contractors, subrecipients, and applicants, ensuring that federal resources are protected and that recovery funds are directed solely toward legitimate unmet needs resulting from Typhoon Mawar.

Under this framework, the program implements rigorous internal controls and program-specific protocols to detect and prevent improper activities. Fraud is strictly defined as the intentional misrepresentation or concealment of facts to obtain a benefit, while waste and abuse refer to the inefficient use of resources or the improper use of authority for personal gain. To mitigate these risks, the program mandates multi-level reviews of all eligibility determinations, third-party verification of disaster-related damages, and regular, unannounced on-site construction monitoring to ensure that work is performed as contracted and that materials are not diverted for unauthorized use. (See Appendix C - Flow Charts)

Reporting suspected misconduct is a mandatory requirement for all individuals participating in or administering the program. GHURA provides clear, confidential channels for reporting allegations of fraud, waste, or abuse without fear of retaliation, including direct access to the GHURA Internal Auditor and the program's compliance team. In strict compliance with the Guam CDBG-DR Fraud, Waste, and Abuse Policy (See), adopted by the GHURA Board of Commissioners via Resolution No. FY2025-029, or any subsequent resolutions thereafter. All activities conducted within this program shall be compliant with GHURA CDBG-DR DOB policies mentioned above, the program is committed to the highest standards of ethical conduct and fiscal accountability. In addition to local oversight, the program operates under the ultimate

¹⁴Resolution approving the Guam Community Development Block Grant - Disaster Recovery Fraud, Waste, and Abuse Policy, <https://notices.guam.gov/app/webroot/userfiles/files/GHURA%27s%20August%2026%202025%20BOC%20Mtg.%20Announcement.pdf>



jurisdiction of the federal government. Consistent with federal mandates, the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) will oversee the investigation of all credible allegations, and HUD will approve and monitor the resolution of all significant conflict or fraud-related cases to ensure full compliance with 24 CFR Part 570.

15.1 Beneficiary Awareness of Fraud, How to Avoid It, and Who to Contact

GHURA will proactively provide CDBG-DR beneficiaries with clear information to raise awareness of potential fraud, explain how fraud can be avoided, and identify who to contact for assistance. Beneficiaries will receive fraud awareness information at application intake, award notification, and prior to construction or activity start, including guidance on how to protect themselves and public funds. Information provided to beneficiaries will include:

- How to recognize warning signs of fraud, waste, or abuse
- Steps beneficiaries can take to protect themselves, such as reviewing documents carefully and asking questions before signing
- Clear instructions on how and where to report suspected fraud, waste, or abuse, including GHURA contact information
- Assurance that reports may be made confidentially and without fear of retaliation

15.2 Beneficiary Education on Contractor Fraud Risks in Disaster Recovery

GHURA will specifically educate beneficiaries on the heightened risk of contractor fraud following disasters and will provide practical examples of common schemes that may occur during recovery. Beneficiaries will be advised to report concerns immediately and not attempt to resolve suspected fraud on their own. Examples of common post-disaster contractor fraud that will be communicated include:

- Contractors demanding full or large upfront payments before work begins
- Contractors starting work but failing to complete it as agreed



- Use of inferior or unauthorized materials instead of those specified in the contract
- Misrepresentation of contractor licensing, insurance, or qualifications
- Requests for cash payments or pressure to sign blank or incomplete contracts

15.3 Reporting Fraud

Any person, including any employee of the CDBG-DR program, who suspects, witnesses, or discovers any such irregularity should report it immediately to the GHURA CDBG-DR Internal Audit Office.

Reporting Fraud, Waste, and Abuse	
Email	fwa-dr@ghura.org
Phone Number	671-300-2324

Table 10: Reporting Fraud, Waste, and Abuse Contact Information

In accordance with 2 CFR § 200.113, the Grantee (GHURA) and all subrecipients are obligated to promptly notify the HUD Office of Inspector General (OIG) and HUD in writing when there is credible evidence of:

- Violations of federal criminal law involving fraud, bribery, or gratuities.
- A violation of the Civil False Claims Act (31 U.S.C. §§ 3729 – 3733) that could potentially impact the federal award.

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16. COMPLAINTS

GHURA, as the recipient of the Typhoon Mawar CDBG-DR allocation, is committed to an open and transparent process. Applicants, beneficiaries, and citizens may submit a complaint or grievance regarding the CDBG-DR program at any time.

This complaint process is consistent with the Guam CDBG-DR Action Plan, all relevant Guam local and federal laws, and the requirements outlined in the applicable Federal Register Notices, including the HUD waiver concerning citizen participation.

The program will provide a timely, substantive response to every formal, written citizen complaint.

- Resolution Timeline: Written complaints will be addressed and a final response will be provided within 15 working days of receipt, whenever practicable.
- Extension Notification: If the complaint cannot be fully addressed within 15 working days, the program will notify the complainant in writing of the need for additional time and provide an estimated resolution or response timeframe. The complainant will receive the extension notification within 15 working days of GHURA CDBG-DR’s receipt of the written complaint.

Formal complaints related to the CDBG-DR program must be submitted in writing to the administering agency, GHURA CDBG-DR, through any of the following avenues:

Method	Contact Information
Email	qaqc-dr@ghura.org
In Writing/Mail	Guam Housing and Urban Renewal Authority (GHURA) Attn: CDBG-DR Program Office 117 Bien Venida Ave. Sinajana, GU 96910

Table 11: Complaints Contact Information

While formal complaints must be submitted in writing, the program recognizes that a citizen's particular circumstances may not allow for a written submission (e.g., disability, lack of access, language barrier). In such cases, the program will accept complaints verbally or by other necessary means to ensure equitable access to the complaint process.



Alternative submission methods include, but are not limited to:

Method	Contact Information
Via Telephone	671-300-2310
TTY	(671) 472-3701 (For the hearing and speech impaired)

Table 12: Complaints Alternate Contact Information

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17. APPEALS

Applicants wishing to formally contest a final program determination may initiate an appeals process within 30 calendar days from the date of notice. Under the Guam CDBG-DR Owner-Occupied Rehabilitation and Reconstruction program, applicants have the right to file a written appeal if they are dissatisfied with program policies, eligibility decisions, levels of service, or specific award determinations or denials that are contingent on program policies. However, it should be noted that GHURA does not have the authority to grant an appeal of a statutory, regulatory, or HUD-specified CDBG-DR requirement. GHURA shall provide a written response to every complaint relating to CDBG-DR within fifteen (15) working days of receipt. If additional time is needed, GHURA will document the reason for needing additional time, not to exceed ten (10) working days. GHURA will execute its Appeals Process in response to appeals received. The process will enable appeals and further review from another level. The appeal shall include a statement of facts and circumstances regarding the situation as well as any supporting documentation that substantiates the claim. Materials related to the appeal may be submitted to GHURA via email at:

Method	Contact Information
Email	housing-dr@ghura.org

Table 13: Appeals Contact Information

The GHURA CDBG-DR Chief Planner will review the submitted materials and provide the appellant with a written response, which may be by email. If the program supervisor denies the appeal, the applicant has the option to escalate the matter for further review. The final step in the GHURA appeals process is to submit the case to the CDBG-DR Grants Manager. The Grants Manager will perform a comprehensive evaluation of the appeal and is required to issue a final determination within thirty (30) working days. This tiered approach is designed to ensure that every applicant receives a fair and thorough secondary look at their case.



18. UNIFORM RELOCATION ACT (URA)

GHURA CDBG-DR is committed to minimizing the displacement of persons and entities as a result of activities assisted with CDBG-DR funds, and will take the following reasonable efforts to a) minimize the displacement of persons or households, b) assist any persons or households displaced, and c) ensure accessibility needs of displaced persons with disabilities.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended (42 U.S.C. 4601 et seq.), and Section 104(d) of the Housing and Community Development Act of 1974, Housing Program 1 will ensure that all individuals displaced by rehabilitation or reconstruction activities receive fair, consistent, and equitable treatment. Because this program focuses on owner-occupied properties, most applicants are not considered "displaced persons" under federal law when they voluntarily apply for assistance; however, GHURA CDBG-DR recognizes that construction may require residents to leave their homes temporarily.

To maintain the highest standards of program integrity and participant support, Owner-Occupied Rehabilitation and Reconstruction Program will strictly comply with the most recent adopted policy by the GHURA Board of Commissioners, as well as any other program-specific Universal Relocation Act requirements or Residential Anti-displacement and Relocation Assistance Plans (RARAP) currently in effect. This includes providing all required notices, such as the General Information Notice (GIN), and ensuring that any temporary relocation assistance—such as short-term housing support or storage costs—is administered in a way that prevents "demonstrable hardship" for the homeowner.

Furthermore, GHURA will provide advisory services to all program participants to explain their rights and the types of assistance available. If a project requires a homeowner to move out during the construction phase, the program will coordinate temporary housing solutions that meet "decent, safe, and sanitary" standards. All relocation activities will be documented and monitored to ensure compliance with both federal mandates and the local policies established by the GHURA Board of Commissioners, ensuring that the recovery process strengthens the community. (See *Uniform Relocation Act Policy/RARAP*).



19. ADMINISTRATIVE POLICIES

As a recipient of CDBG-DR funds, GHURA CDBG-DR is bound by a comprehensive set of federal regulations, policies, and procedures that govern all programs, projects, and initiatives undertaken as part of Guam's CDBG-DR grant.

These detailed policies and procedures are formally compiled and outlined in the GHURA CDBG-DR Administrative Manual. This manual serves as the definitive reference document, covering critical topics such as:

- Financial management and accountability
- Fair Housing compliance, consistent with Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act), 42 USC 3601-19
- Conflicts of Interest mitigation, consistent with 24 CFR 570.611 and in accordance with the GHURA CDBG-DR Conflict of Interest (COI) policies adopted by the GHURA Board of Commissioners via Resolution No. FY2025-032
- Recordkeeping requirements, consistent with 24 CFR 570.490
- Program monitoring, including the review of projected versus actual expenditures

The requirements described in the GHURA CDBG-DR Administrative Manual apply uniformly to all programs outlined in the official Guam Action Plan for Disaster Recovery and any subsequent amendments thereto, including this specific program.

In accordance with Section III.A.2.c of the Universal Notice, GHURA has developed projected expenditures and outcomes for Housing Program based on each quarter's expected performance, which are uploaded into DRGR and posted on the Fix in Six website at www.guamcdbgdr.org, as required by Section III.B.8 of the Universal Notice, as amended.

GHURA monitors performance of HP1 against the quarterly projections to inform program management decisions and adjusts projections as necessary to reflect accurate estimates. Projections are reviewed and updated quarterly to reflect changes in program design, funding availability, or community needs.



The program’s projected outcomes include both Rehabilitation and Reconstruction for eligible single-family owner-occupied homes, the reduction of disaster vulnerability through mitigation measures, and the restoration of safe, decent, and sanitary housing for disaster-impacted households. These outcomes are aligned with the priorities identified in Guam’s Action Plan and reflect the community’s most urgent housing recovery needs. Specific metrics for housing work and mitigation measures include:

- **Unit Completion Count:** The total number of single-family owner-occupied units successfully rehabilitated or reconstructed to meet HUD Housing Quality Standards (HQS).
- **Resiliency & Mitigation Integration:** The percentage of homes outfitted with specific mitigation measures (e.g., typhoon shutters, reinforced roofing, etc.) to withstand future disaster events.
- **LMI Beneficiary Target:** The number of households served that qualify as Low-to-Moderate Income (LMI), ensuring the program prioritizes Guam’s most vulnerable populations.

To support timely implementation, GHURA monitors accomplishments using internal dashboards and case management systems through its System of Record. Delays are flagged for review, and corrective actions are initiated when progress falls behind schedule.

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20. RECORDKEEPING AND RETENTION

The Guam Housing and Urban Renewal Authority (GHURA) maintains a rigorous standard for the comprehensive documentation and preservation of records in the administration of any program. In strict compliance with the Guam CDBG-DR Recordkeeping and Retention Policy, as may be amended, the program is committed to the highest standards of transparency and data integrity. All activities conducted within this program shall be compliant with the recordkeeping policies mentioned above. This policy applies to all program staff, ~~contractors, subrecipients and applicants,~~ ensuring that all federal resources and program decisions are documented to demonstrate that recovery funds are utilized for legitimate unmet needs resulting from Typhoon Mawar.

Under this framework, the program implements rigorous internal controls and program-specific protocols to ensure the systematic collection, storage, and retrieval of program data. Recordkeeping is defined as the maintenance of all financial, programmatic, and beneficiary records necessary to support program compliance, while retention refers to the secure preservation of these documents for the required duration as mandated by law. To ensure long-term accessibility, the program mandates the use of secure filing systems, regular audits of file completeness, and the protection of personally identifiable information (PII) from unauthorized access. (*See Recordkeeping and Retention Policy*)



21. CLOSEOUT

Upon the successful completion of all authorized construction work and the formal returning of the keys of the program-assisted property to the homeowner, the application file will be advanced to the final closeout stage. Program staff will conduct a comprehensive review of the file, which is specifically designed to ensure the completeness of all necessary documentation; this final stage is distinct from a full quality control review given that the case has already undergone extensive quality control checkpoints and received necessary approvals at earlier phases of the program. Once the file's final completeness review is approved and the case is officially closed, the applicant will be issued a Final Notice from the program, officially informing them of the case closure and serving as a critical reminder of their ongoing federal obligations, including the mandatory compliance period requirements and the legal recapture provisions secured by the recorded mortgage. Applicant(s) shall maintain all records, receipts, invoices, and related documentation for any demolition, repair, or construction activities for at least four (4) years following project closeout and shall provide such documentation to GHURA CDBG-DR upon request.

[END OF PROGRAM POLICIES AND PROCEDURES]



Appendix A – Glossary

Area Median Income (AMI): The Area Median Income represents the statistical middle point of household income for a specific geographical region, as annually calculated, published, and adjusted for household size by HUD.

Applicant: An individual who submits a formal request to the Rehabilitation and Reconstruction of Owner-Occupied Housing Program specifically seeking financial assistance for their primary residence.

Base Flood Elevation (BFE): Base Flood Elevation is the official regulatory flood height determined by the Federal Emergency Management Agency (FEMA). It specifically represents the elevation of surface water resulting from a flood event that has a one percent (1%) chance of being equaled or exceeded in any given year, commonly referred to as the 100-year flood or SFHA.

Community Development Block Grant – Disaster Recovery (CDBG-DR): A program funded by HUD to provide funding for cities, counties, states, and territories that are recovering from presidentially declared disasters.

Co-Applicant: A co-applicant must be an adult, a co-owner of the damaged property, and a household member residing at that property. A co-applicant has the same authority over the program application as the primary applicant and must sign all required program documents. They are granted full decision-making authority over the application.

Communication Designee: A Communication Designee is any adult person the applicant authorizes to receive information about the application.

Deficiency in Budget (DIB) Gap: The DIB gap represents the specific financial amount that an applicant must satisfy to comply with federal regulations. It is calculated as the total dollar amount of all disaster assistance received (including both excludable and non-excludable benefits) minus the legally allowed amount of excluded benefits. This resulting gap must be reduced to zero prior to the execution of the HGA.



Displaced Person: Any individual or household who, as a direct result of the effects of Typhoon Mawar, was forced to vacate their primary residence because the structure was rendered uninhabitable, unsafe, or otherwise failed to meet decent, safe, and sanitary standards.

Duplication of Benefits (DOB): DOB occurs when any eligible entity, including a person, household, business, or other organization, receives disaster assistance from multiple sources (federal, state, local, private, or insurance) for the same specific recovery purpose, and the total amount of assistance received exceeds the documented total need for that recovery purpose.

Environmental Review: The Environmental Review is a mandatory process that all qualified projects must undergo. This process ensures that program-funded activities achieve full compliance with the NEPA and all other applicable territorial and federal environmental laws and authorities. For compliance purposes under HUD, the specific requirements governing this review are located at 24 CFR Part 58.

Federal Register (FR): The Federal Register is the official daily journal of the United States Federal government, published every weekday except on federal holidays. It contains government agency rules, proposed rules, and public notices. For each CDBG-DR funded disaster, HUD issues a Federal Register Notice (FRN), which formally outlines the specific statutory waivers, alternative requirements, and administrative rules that govern the use and expenditure of that particular allocation of disaster funding.

Floodplain: A Floodplain refers to the geographic zones designated by FEMA as being subject to varying levels of flood risk. Each delineated zone reflects the severity and specific type of potential flooding hazards within that area, as identified on the effective FIRM.

Floodway: A regulatory floodway is defined as the channel of a river or other watercourse, along with the adjacent land areas, that must be reserved to effectively discharge the base flood (the 100-year flood event) without cumulatively increasing the water surface elevation above a designated height. Communities are required to strictly regulate all development within these designated floodways to ensure that



upstream flood elevations are not negatively impacted. For watercourses where FEMA has provided a BFE but has not yet designated a floodway, the community must review proposed floodplain development on a case-by-case basis to prevent any increases in water surface elevations or to determine the need to adopt an official floodway if adequate information becomes available.

Guam Housing and Urban Renewal Authority (GHURA): The grantee and administering entity for CDBG-DR funds allocated to the Territory of Guam for recovery from the Typhoon Mawar, which occurred on May 24, 2023.

Household: A Household is defined as all individuals who are occupying the same singular housing unit, irrespective of any familial or relational ties between them. This collective of occupants may constitute a single family, two or more families residing together, or any other group of related or unrelated people who share living arrangements within the unit.

United States Department of Housing and Urban Development (HUD): HUD is an executive department of the federal government that administers federal housing and urban development programs. HUD allocates the CDBG-DR funds.

Low- to Moderate-Income (LMI) National Objective: LMI national objective is satisfied by program activities that benefit households whose total annual gross income does not exceed 120% of the AMI, after the income has been properly adjusted for household size. The income eligibility for this objective will be definitively determined and verified in strict accordance with official guidance issued by the HUD.

Most Impacted and Distressed (MID) Areas: MID Area is the geographic area designated by the HUD to receive priority CDBG-DR funding based on the severity of disaster damage. For the purposes of this grant allocation, the MID-designated area is the Territory of Guam.

Modular home: A home that is mostly or completely built in a factory and then moved to the building site to be completed/installed.



Power of Attorney (POA): A POA is an individual legally authorized to act on behalf of the applicant. The specific powers are based on the duly executed and legally binding POA document submitted by the applicant.

Primary Residence¹⁵: A Primary Residence is one that meets the definition of a “main home” in IRS Publication 936 (2025): “You can only have one main home at any one time. This is the home where you ordinarily live most of the time”.

Qualifying Event: May 24, 2023 Typhoon Mawar

Reconstruction: Reconstruction is defined as the rebuilding of a structure on the same site, maintaining substantially the same manner as the original (e.g., a site-built home rebuilt as a site-built home), unless such an approach is determined to be technically infeasible. The determination of reconstruction feasibility is strictly driven by documented site constraints and technical findings provided by the GC to the program for review, and is not an option or decision driven by the property owner. Stick-built homes undergoing reconstruction must successfully complete a Tier II environmental review based on the specific site characteristics and must fully meet all applicable local building code requirements as a condition of final approval.

Rehabilitation: All repairs utilize the existing structure and/or footprint, with all construction work designed and executed to meet or exceed current federal/HUD and local building codes.

Second Home: Properties that served as second homes at the time of the qualifying disaster or at the time of application are definitively not eligible for assistance through the program. A second home is a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the disaster or at the time of application for CDBG-DR assistance. Furthermore, properties utilized for seasonal occupancy, short-term rentals, or vacation rental purposes are also strictly ineligible for program assistance.

¹⁵ IRS Publication 936, *Home Mortgage Interest Deduction*, 2025, <https://www.irs.gov/publications/p936>



Single-Family Residence: A single-family residence is defined as any residential structure containing a minimum of one (1) to a maximum of four (4) dwelling units for the purposes of program eligibility.

FEMA Special Flood Hazard Area (SFHA): The FEMA SFHA is the designated area that would be inundated by a flood event having a one percent (1%) chance of being equaled or exceeded in any given year. This area is officially designated by FEMA and is also commonly referred to as the base flood or the 100-year flood area.

Stick-built Home: A stick-built home is defined as a structure that has been constructed directly on its permanent site utilizing traditional, piece-by-piece construction materials and methods, and also includes any type of modular home



Appendix B – Forms



Appendix C – Flow Charts

