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nyc.gov/builditback

## Rebuild Reimbursement FAQ

### My home was destroyed or severely damaged by Hurricane Sandy. Will Build It Back reimburse me for the cost I incurred to rebuild my home?

Yes. Build It Back will reimburse you for a portion of the out-of-pocket costs incurred to rebuild your home, subject to federal requirements. The costs must have been incurred before your application to Build It Back or October 29, 2013, whichever is earlier (the Program calls this your "reimbursement deadline." See page 3 for additional details).

### What are the eligibility criteria for rebuild reimbursement?

In order to be eligible for rebuild reimbursement, you must pass all of the normal Build It Back eligibility criteria that apply to any other rebuild applicant. The eligibility criteria can be found on the Rebuild Program page under the Single Family Program section on [nyc.gov/builditback](http://nyc.gov/builditback).

In addition, there are other specific eligibility criteria that you must meet:

1. You must have started incurring rebuild expenses on or before your reimbursement deadline, pursuant to Department of Housing and Urban Development (HUD) reimbursement requirements.
2. You must provide proof that the home was destroyed by Hurricane Sandy, was substantially damaged by Hurricane Sandy or that the Hurricane Sandy Damage could not feasibly be repaired. Documentation must meet the requirements listed in question 3, **Required Documents** section, below.
3. The structure must have been issued a final Certificate of Occupancy by the New York City Department of Buildings and the Build It Back Program's site inspector must confirm that construction on the property is complete. A Temporary Certificate of Occupancy will not satisfy this requirement.
4. The structure must have been properly elevated according to NYC Building Code as evidenced by the Elevation Certificate (if the property is located in a Special Flood Hazard Area) and/or final Certificate of Occupancy.



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## **What types of documents do I need to submit to be considered for rebuild reimbursement?**

To determine whether you are eligible for rebuild reimbursement, you must submit the following (as applicable):

1. A signed and dated copy of the contract you entered into with an architect and/or engineer to develop the plans for the reconstructed home. If you entered into multiple contracts for the design of the home, all contracts must be submitted.
2. A signed and dated copy of the contract you entered into with a construction contractor (or modular home seller) to reconstruct the home or purchase a modular home. If you entered into multiple construction contracts, all contracts must be submitted.
3. A copy of documentation showing the date that the rebuild plans were first submitted to the NYC Department of Buildings for review. If no such documentation exists, then the submission date noted in the Department of Buildings electronic or paper records may be used.
4. A copy of all final “paid” invoices showing the final cost of rebuild and providing proof that you paid all submitted invoices. Invoices must show that you paid for goods or services listed in the invoice. You are not required to have invoices for each of the items listed below. However, the Program will only accept invoices for the expenses in the Acceptable Expenses section at the end of this handout.
5. Copies of any required state or federal permits including, but not limited to wetlands permits (if applicable).
6. A NYC Department of Buildings Approved Reconstruction Permit.
7. A final NYC Department of Buildings Certificate of Occupancy. A Temporary Certificate of Occupancy cannot substitute for a final Certificate of Occupancy.
8. An Elevation Certificate.
9. Proof that the home was destroyed by Hurricane Sandy, was substantially damaged by Hurricane Sandy or that the Hurricane Sandy Damage could not feasibly be repaired. See the Proof of Damage Document Checklist at the end of this handout.

Document list continues on the next page.



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## **What is the reimbursement deadline?**

For a rebuild project, HUD has informed Build It Back that your reimbursement deadline is the date that you applied for Build it Back (executed the Program's FI Form) or October 29, 2013, whichever is earlier. As long as you began incurring expenses for your rebuild project before your reimbursement deadline, the Program can consider all of your rebuild expenses when calculating your award.

## **How does the Program define when expenses have been incurred?**

HUD has determined there are three events that may be considered when determining if you began to incur expenses prior to the reimbursement deadline. Those events are:

1. The date you entered into a contract with an architect or engineer to design the reconstructed home.
2. The date the plans to reconstruct the home were submitted to the NYC Department of Buildings ("DOB").
3. The date you entered into a contract with a construction contractor or modular home seller to reconstruct the home or purchase a modular home.

## **What types of rebuild expenses will the Program consider when calculating my reimbursement award?**

The Acceptable Expenses section at the end of this handout contains eligible rebuild expenses that will be included when calculating a rebuild reimbursement award.

## **What types of rebuild expenses are not considered when calculating my reimbursement award?**

The Unacceptable Expenses section at the end of this handout will not be considered when calculating a rebuild reimbursement award.

## **How does the Program determine my Rebuild Reimbursement Cost Cap?**

The Program is not able to reimburse you for costs that are over and above what the Program would have incurred to build a home with similar square footage. To determine your Cost Cap, the Program uses a table of costs based upon the Program's cost to reconstruct a home. The table takes into account your home's pre-storm square footage, its rebuilt square footage, and the number of stories present on the home. Your Cap is the lesser of the per square foot cost to rebuild your home to its pre-storm square footage or the cost to rebuild your home to its post-storm square footage using the table of costs.

See the end of this handout for an example of how a rebuild reimbursement award would be calculated by the Program.

## **How is my rebuild reimbursement award calculated?**

If you meet all of the Program's eligibility criteria, you will be eligible to be reimbursed for 60% of either the actual rebuild cost you incurred or the Program's Rebuild Reimbursement Cost Cap after the Program accounts for all rebuild benefits you received, whichever amount is less.



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## Proof of Damage Document Checklist:

- An order from the City of New York instructing you to demolish the home.
- Proof that the City of New York demolished the home.
- Documentation that the home was destroyed by Hurricane Sandy including, but not limited to:
  - Insurance documentation evidencing the destruction of the home.
  - FEMA documentation evidencing the destruction of the home.
  - Pictures showing that the home was destroyed by Hurricane Sandy.
- A letter or report prepared by a licensed architect or engineer stating that it was not feasible to repair the home.
- A letter or report prepared by a licensed architect or engineer stating that the home was substantially damaged by Hurricane Sandy.
- A determination issued by the New York City Department of Buildings stating that the home was substantially damaged by Hurricane Sandy.
- Other documentation which would tend to show that the home was destroyed by Hurricane Sandy or that the home could not feasibly be repaired which will be reviewed by the Program's legal staff on a case by case basis.

## Acceptable Expenses:

- Expenses incurred to pay architects and/or engineers for design.
- Expenses incurred to pay for soil borings/soil testing.
- Expenses incurred to pay for buildings permits.
- Expenses incurred to pay for surveys.
- Expenses incurred to purchase and place a modular home.
- Expenses incurred to pay for the demolition of the damaged home.
- Expenses incurred for demolition debris disposal or removal.
- Expenses incurred to pay for the costs of environmental remediation or hazardous materials disposal.
- Expenses incurred for site preparation including, but not limited to, site grading, fill, and leveling.
- Expenses incurred to pay for rebuild activities such as payments to general contractors, subcontractors, material suppliers, etc. which were incurred by the applicant.

## Unacceptable Expenses:

- Expenses incurred to repair or reconstruct outbuildings or adjoining structures such as storage buildings, detached garages and structures erected to contain boilers or other mechanical assemblies.
- Expenses incurred to repair or replace luxury items such as swimming pools or outdoor jacuzzis.
- Expenses incurred to install a dishwasher, clothes washer or clothes dryer. (Expenses to install a stove and refrigerator are eligible.)
- Expenses incurred to repair or replace commercial structures.
- The homeowner's "sweat equity" to reconstruct his or her property.
- Expenses which are already credited by the Program on the Coordination of Benefits.
- Expenses which you have already received credit for during a Coordination of Benefits review.



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## Example Reimbursement Calculation:

### Data:

- A. Actual Rebuild Expense Incurred: \$280,000
- B. Structure Type: 1 Unit, 1 Story
- C. Pre-Storm Square Footage: 1,200
- D. Cost Cap to Rebuild Pre-Storm Square Footage: \$219,600
- E. Rebuilt Square Footage: 1,400
- F. Cost Cap To Rebuild the Rebuilt Square Footage: \$242,200

### Cost Determination:

- G. Rebuild Reimbursement Cap (Lesser of "D" and "F"): \$219,600
- H. Rebuild Reimbursement Allowable Cost (Lesser of "A" and "G": \$219,600

### Calculation:

Rebuild Reimbursement Allowable Cost	\$219,600.00
Other Rebuild Benefits Received	<u>-\$120,000.00</u>
Maximum Rebuild Reimbursement Amount	\$99,600.00
40% Reduction	<u>-\$39,840.00</u>
Actual Rebuild Reimbursement Amount	\$59,760.00



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