Notice of Temporary Rule



Effective Feb. 1, 2022

Fire Hardening Grant Program

Purpose of the rule:

These rules will establish the Department of Consumer and Business Services grant program to incentivize fire hardening improvements in residential and commercial buildings being rebuilt after being damaged or destroyed by the 2020 wildfires.

Citation:

Adopts: OAR 918-001-5000, OAR 918-001-5010, OAR 918-001-5020, OAR 918-001-5030, OAR 918-001-5040, OAR 918-001-5050, OAR 918-001-5060, OAR 918-001-5070 This rule is effective Jan. 20, 2022 through July 19, 2022.

Background:

House Bill 5006 passed the Oregon legislature during its 2021 legislative session and was signed into law by the Governor. The bill took effect on Aug. 6, 2021. This bill allocated ten million dollars to the Department of Consumer and Business Services to create a fire hardening grant program. This program is targeting homes and businesses that are being rebuilt after being damaged or destroyed in the 2020 wildfires. The program will provide grants to incentivize rebuilding choices that improve the rebuilt structure's resistance to damage from wildfire. On Dec. 30, 2021, the division filed notice with the secretary of state of the proposed rules to create and manage the fire hardening grant program. The permanent rules are anticipated to be effective on April 1, 2021.

Need for temporary filing:

A temporary rule is necessary to establish this program because of the urgent need for the aid that this program will provide. Oregonians that are eligible for aid under this program suffered losses from wildfire well over a year ago and any additional delay on providing aid is a hardship. The division is limited to quarterly adoption of permanent rules and so a temporary rule is required to be able to start the program on Feb. 1, 2022. Additionally, the division intends to execute intergovernmental agreements (IGAs) with each affected county and having rules in effect will allow the IGAs to be executed prior to the intended start date of the program.

Filing these temporary rules will not impact the process for the permanent rules. The permanent rules for the grant program will follow the necessary process for rule adoption outlined in the Oregon Administrative Procedures Act and the Attorney General's model rules.

Summary:

OAR 918-001-5000 Describes the purpose and objectives of the rules, which includes creating a grant program to incentivize fire hardening measures in buildings being rebuilt after the 2020 wildfires.

OAR 918-001-5010 defines important terms that are used in the rules establishing the grant program.



OAR 918-001-5020 lists the counties partnering with the division to administer the program and the responsibilities of those counties.

OAR 918-001-5030 states the requirements to apply for the program and to be eligible for assistance.

OAR 918-001-5040 states the specific eligibility requirements to receive aid for improvements to accessory structures.

OAR 918-001-5050 states how the program eligibility criteria will be verified.

OAR 918-001-5060 lists the different fire hardening improvements that will be incentivized by the program and the grant amounts that will be associated with each improvement.

OAR 918-001-5070 states that, in addition to partnering with the affected counties, the division may partner with additional organizations to provide specific types of assistance to the program.

Contact:

If you have questions or need further information, contact Andy Boulton, senior policy advisor, by phone at 971-375-7027 or by email at <u>andrew.boulton@dcbs.oregon.gov</u>.

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SECRETARY OF STATE

& LEGISLATIVE COUNSEL

TEMPORARY ADMINISTRATIVE ORDER INCLUDING STATEMENT OF NEED & JUSTIFICATION BCD 1-2022 CHAPTER 918 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES BUILDING CODES DIVISION

FILING CAPTION: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

EFFECTIVE DATE: 01/20/2022 THROUGH 07/18/2022

AGENCY APPROVED DATE: 01/20/2022

CONTACT: Andy Boulton 971-375-7027 rulescoordinator.bcd@dcbs.oregon.gov 1535 Edgewater Street NW Salem, OR 97304

Filed By: Andrew Boulton Rules Coordinator

NEED FOR THE RULE(S):

A temporary rule is necessary to establish this program because of the urgent need for the aid that this program will provide. Oregonians that are eligible for aid under this program suffered losses from wildfire well over a year ago and any additional delay on providing aid is a hardship. The Building Codes Division is limited to quarterly adoption of permanent rules and so a temporary rule is required to be able to start the program on February 1, 2022.

JUSTIFICATION OF TEMPORARY FILING:

This rule is necessary to avoid serious prejudice that would incur from further delay of needed assistance to Oregonians rebuilding residential or commercial buildings that were damaged or destroyed. It was well over a year ago when thousands of structures were lost across Oregon from the 2020 wildfires. Any unnecessary delay to a program to distribute grants delays needed aid. A temporary rule will allow the division to start the program as soon as it is able without waiting until the normal quarterly adoption period. It is also anticipated that permanent rules will be filed for the next available quarterly adoption date and all normal rulemaking procedures will be followed to adopt those rules.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

The division relied on the following documents in creating these rules:

- 1. House Bill 5006
- 2. Written Statements submitted by the Insurance Institute for Business and Home Safety
- 3. Written Statements submitted by the McKenzie Valley Long Term Recovery Group
- 4. Headwaters Economics Paper on wildfire resistant home building costs
- 5. Land use policy article studying rebuilding patterns after wildfires

These documents as well as draft rules are available from the division's rules coordinator located at 1535 Edgewater Street NW, Salem, OR 97304 and are posted on the division's Web site at: http://www.oregon.gov/bcd/laws-rules/Pages/proposed-rules.aspx.

RULES:

918-001-5000, 918-001-5010, 918-001-5020, 918-001-5030, 918-001-5040, 918-001-5050, 918-001-5060, 918-001-5070

ADOPT: 918-001-5000

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5000</u>

Purpose and Objectives

(1) OAR 918-001-5000 to OAR 918-001-5070, are established to administer Oregon Laws 2021, chapter 669, Section 263 (House Bill 5006) which authorize the division to establish a grant program.

(2) The grant program will incentivize fire hardening improvements for residential and commercial buildings that are repaired or rebuilt after being damaged or destroyed in a qualifying wildfire.

(3) These rules describe the fire hardening grant program and the application process, verifying eligibility for grant payment, and distributing grants to qualified applicants.

Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5010</u>

Definitions

The following definitions apply to OAR 918-001-5000 to OAR 918-001-5070, unless the context requires otherwise:

(1) "Accessory structure" means a structure which is accessory to and incidental to that of the residential or commercial building, and that is located on the same lot.

(2) "Affected county" means one of the counties listed in 918-001-5020.

(3) "Applicant" means a person applying to the fire hardening grant program for grant funds.

(4) "Commercial building" means a building that is used in connection with a business that is governed by the Oregon Structural Specialty Code.

(5) "Ignition-resistant material" means a type of building material that resists ignition or sustained flaming combustion sufficiently so as to reduce losses from wildland urban interface conflagrations under worst-case weather and fuel conditions with wildfire exposure of burning embers and small flames.

(6) "Manufactured home" means a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.

(7) "Noncombustible material" means any material that in the form in which it is used and under the conditions anticipated will not ignite, burn, support combustion or release flammable vapors when subjected to fire or heat in accordance with ASTM E136.

(8) "Program" means the Fire Hardening Grant Program.

(9) "Qualifying wildfire" means a wildfire that occurred in 2020 that damaged property in at least one of the affected counties.

(10) "Residential building" means either a building governed by the Oregon Residential Specialty Code, or a manufactured home.

Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5020</u>

County Administration

(1) The division shall partner with the following counties to administer the fire hardening grant program:

(a) Clackamas County;

(b) Douglas County;

(c) Jackson County;

(d) Klamath County;

(e) Lane County;

(f) Lincoln County:

(g) Linn County; and

(h) Marion County.

(2) Affected counties partnering with the division in administering the program will be required to:

(a) Perform certain functions listed here and detailed in an intergovernmental agreement entered into by the affected county and the division.

(b) Make information about the program, including application materials, available to county residents who are interested in participating in the program.

(c) Accept applications from applicants who wish to participate in the program.

(d) Assist applicants in completing program application documents.

(e) Verify that submitted applications have been fully completed and that all necessary program certifications and supporting documents are included. The following would need to be included in a completed application:

(A) Completed Program Application Form;

(B) Program Eligibility Certification;

(C) Documentation of applicant identity as stated in 918-001-5050(1); and

(D) Documentation of property or building ownership as stated in 918-001-5050(2).

(f) Verify that at least one qualifying fire hardening improvement has been completed on the applicant's residential or commercial building.

(g) Determine the grant amount to be paid to the applicant pursuant to OAR 918-001-5060.

(h) Distribute grant funds to applicants that meet all of the eligibility criteria listed in 918-001-5030.

(i) Account for all disbursed funds using Generally Accepted Accounting Principles (GAAP).

(j) Issue Internal Revenue Service Form 1099-G when required based on the circumstances of the applicant.

Statutory/Other Authority: Stat. Auth.: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5030</u>

Program Application and Eligibility

To be eligible for incentives an applicant to the program must meet the following requirements:

(1) The applicant must own a residential or commercial building that was damaged or destroyed by a qualifying wildfire, or the applicant must own a parcel of land where a residential or commercial building was damaged or destroyed in a qualifying wildfire.

(2) The applicant must have completed work on at least one qualifying fire hardening improvement on a residential or commercial building that was damaged or destroyed by a qualifying wildfire.

(3) The applicant must include at least one of the fire hardening improvements listed in 918-001-5060 when rebuilding their residential or commercial building.

(4) The applicant confirms with documentation that the work on the qualifying fire hardening improvement(s) from section (3) has been completed.

(5) The program will accept applications until either all funds have been disbursed or until June 30, 2023, whichever comes first, unless extended by the Legislature.

<u>Statutory/Other Authority: Stat. Auth.: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)</u> <u>Statutes/Other Implemented: Stat. Auth.: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)</u>

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5040</u>

Accessory Structures

The primary intent of the program is to incentivize fire hardening improvements in residential and commercial buildings, but accessory structures that are within 50 feet of a residential or commercial building can act as fuel for a wildfire thereby increasing the risk of damage to the nearby residential and commercial building. Therefore, fire hardening grants will be available to applicants for improvements made to accessory structures under the following conditions:

(1) The applicant is eligible for grant assistance for a residential or commercial building on the same parcel. (2) The applicant has added both of the following fire hardening improvements to one or more accessory structure(s):

(a) Roofing that is rated either Class B or Class A;

(b) Exterior wall covering that is either:

(A) Noncombustible;

(B) Ignition resistant;

(C) Heavy timber; or

(D) log wall; and

(3) The accessory structure that is being improved is within 50 feet of any residential or commercial building. For this condition, the residential or commercial building that is within 50 feet of the accessory structure is not required to be the same residential or commercial building that the applicant has already qualified for grant assistance.

<u>Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)</u> <u>Statutes/Other Implemented: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)</u>

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5050</u>

Verification of Program Eligibility

The affected county that the applicant is rebuilding in will verify program eligibility. Each of the following eligibility elements will be verified with the listed documentation.

(1) Applicant identity will be verified with a government issued photo identification such as a driver's license, state issued photo identification, passport, or military identification.

(2) Property ownership will be verified with a copy of the title, manufactured home ownership documentation, a search of public property ownership records, or other documentation at the discretion of the County Building Official.

(3) Completion of eligible work will be verified with:

(a) The results of an inspection by a local building department;

(b) Photographic or video evidence suitable to verify the work;

(c) An invoice for service and materials confirmed as paid; or

(d) Other documentation at the discretion of the County Building Official.

Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5060</u>

Qualifying Improvements and Program Incentives

The following improvements will be incentivized by the program and the listed incentive amounts will be disbursed to eligible applicants once they complete qualifying fire hardening improvements:

(1) Installing roofing rated either Class B or Class A is eligible for a \$2,200.00 incentive.

(2) Installing a fire hardened exterior wall covering is eligible for a \$1,750.00 incentive, the wall covering must be either:

(a) Noncombustible;

(b) Ignition resistant;

<u>(c) Heavy timber; or</u>

(d) Log wall.

(3) Installing vents that were designed to resist ember intrusion and flame, or using an unvented attic assembly is eligible for a \$350.00 incentive.

(4) Protecting the undersides of eaves, soffits and other building projections at the discretion of the County Building Official is eligible for a \$400.00 incentive, applicant must use one of the following:

(a) Noncombustible material;

(b) Ignition-resistant material;

(c) Exterior portion of one hour assembly; or

(d) One layer of 5/8 inch Type X gypsum sheathing or equivalent.

(5) Installing fire hardened walking surfaces of porches, balconies, and decks is eligible for a \$550.00 incentive, walking surfaces must be constructed from:

(a) Noncombustible material;

(b) Ignition resistant material;

(c) Exterior fire retardant treated wood; or

(d) Materials meeting ASTM E2632.

(6) Installing windows and skylights that are either made from tempered glass or are 20-minute fire rated is eligible for a \$550.00 incentive.

(7) For manufactured homes only, installing skirting that is made from either noncombustible or ignition resistant materials is eligible for a \$500.00.

(8) Accessory structures that meet the eligibility conditions in 918-001-5040 are eligible for a grant of \$500.00 per structure for up to two structures.

(9) Eligibility for grant funds is not a guarantee of payment. The program may be unable to make additional payments if there are insufficient funds available.

Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)

RULE SUMMARY: Establish program to incentivize fire hardening improvements for certain buildings damaged or destroyed by wildfire

CHANGES TO RULE:

<u>918-001-5070</u>

Additional Organizational Partners

The division may partner with additional governmental or non-governmental organizations to provide additional assistance to potential applicants. This assistance may include:

(1) Outreach and education;

(2) Application preparation and program intake; and

(3) Preparation of verification documents.

Statutory/Other Authority: Oregon Laws 2021, Chapter 669, Section 263 (House Bill 5006)