



Construction, Financing, and Project Completion

Roadmap to Recovery^(R) Webinar
Marshall Fire / 2021-2022 CA Fires
April 25, 2024

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United Policyholders. EDUCATING THE OWNER

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EVENTS

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Construction, Financing, and Project Completion

Thursday, April 25, 2024
6:00 pm PT / 7:00 pm MT

Zoom

Marshall Fire CO 2021, CA Wildfires 2021-2022

[REGISTER HERE](#)

In this webinar you will learn what pitfalls to watch out for as your construction project gets toward the finish line, mortgage releases and lien waivers, final steps to walk with your builder and managing your rebuild finances.

RESOURCES

- [Home Improvement](#)
- [Contracts Consumer Guide](#)
- [2021 Marshall Fire](#)
- [2021 California Wildfires](#)
- [2022 California Wildfires](#)
- [2022 Oak Fire](#)
- [Construction, Financing, and Project Completion Slide Deck](#)

<https://uphelp.org/events/construction-financing-and-project-completion-2/>

View recordings of past events and related resources.

About United Policyholders (UP)

- Reputable, established 501(c)3 not-for-profit charitable organization, Platinum Guide Star rating
- A trusted information resource and respected voice for insurance consumers in all 50 states
- 30+ year track-record and expertise in disaster recovery
- Not for profit...not for sale
- Funded by donations and grants

Team UP

- Professional staff
- Government and nonprofit partners
- Volunteers
 - Team UP - previous catastrophic loss survivors paying it forward
 - Consumer-oriented professionals
 - Damage and repair/rebuild cost estimators
 - Lawyers
 - Public Adjusters
 - Tax and Financial Planning experts
 - Construction and Real Estate professionals

Our Three Programs

Roadmap to Recovery[®]

- *Guidance on insurance, restoring assets and getting back home after a catastrophic loss*

Roadmap to Preparedness

- *Helping households and communities reduce risk and be resilient to disasters and adversity*

Advocacy and Action

- *Fighting for insurance consumer rights and protections*

The Fine Print

- This workshop is intended to be general guidance only, not legal advice
- We don't endorse or warrant any of the sponsors listed at www.uphelp.org or speakers at our workshops
- Our speakers are volunteering their time as educators

Disaster Insurance Help Libraries

uphelp.org/recovery/disaster-recovery-help

- State Specific Resources with Step-by-Step Guidance
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help
www.uphelp.org/findhelp
- Sample Letters & Claim Forms
www.uphelp.org/samples
- Survivors Speak Tips
www.uphelp.org/survivorsspeak
- Upcoming Workshops and Resources
www.uphelp.org/events

The screenshot displays the United Policyholders website interface. At the top, the logo reads "United Policyholders Empowering the Insured". Navigation links include "LOGIN", "ASK AN EXPERT", and a search bar. A main menu bar contains "HOME", "ABOUT", "MEDIA", "RECOVERY HELP", "GET PREPARED", "ADVOCACY", and "EVENTS". The "RECOVERY HELP" dropdown menu is open, with "DISASTER RECOVERY HELP" circled in red and an arrow pointing to it. Below the menu, the page title is "DISASTER RECOVERY HELP" with a breadcrumb trail: "Home » Roadmap to Recovery™ » Disaster Recovery Help". The main content area features six disaster-related articles, each with a thumbnail image, a date/status tag, and a title:

- 2022 Hurricane Ian – Insurance Claim and Recovery Help Library** (SEP 28, 2022 – ACTIVE): Hurricane Ian made landfall as a Category 4 Hurricane and caused extensive damage in late September, 2022 in regions throughout Florida and neighboring states.
- 2022 California Wildfires – Insurance Claim and Recovery Help** (JUL 29, 2022 – ACTIVE): This library will help those affected by the Alex, McKinney, Yeti, Mill, and Fairview fires.
- 2022 Oak Fire – Insurance Claim and Recovery Help** (JUL 22, 2022 – ACTIVE): The Oak Fire in Mariposa County has burned nearly 19,000 acres and destroyed over 190 structures so far during what is predicted to be an exceptionally challenging wildfire season in California due to drought conditions.
- 2022 Yellowstone Flooding in Montana** (JUN 10, 2022 – ACTIVE): "1-in-500 year event" in June 2022 brought catastrophic flooding to Montana communities along the Yellowstone River.
- March 2022 Louisiana Tornado – Insurance Claim and Recovery Help** (MAR 23, 2022 – ACTIVE): On March 22nd, 2022 an EF3 tornado touched down in the Lower Ninth Ward, Timberlane,
- 2022 Tornado – Insurance Claim and Recovery Help** (JAN 1, 2022 – ACTIVE):



Today's Presenters

Valerie Brown

Deputy Executive Director, United Policyholders

Annie Barbour

Roadmap to Recovery CA Liaison, United Policyholders

Doug Robinson

President and CEO, OneHome, CA

Larry Russell

President and CEO, TRC Residential, Inc, CO

Recovering from a disaster is a marathon, not a sprint!



Best Practices



Get it in WRITING!



If not, put it in writing, back to them confirming



Keep it professional



Be concise and to the point



Bold or bullet point your requests



Use proper grammar and punctuation



Promptly respond to letters and reasonable requests



Avoid venting frustrations and emotions to your adjuster

Today's Topics

- Pitfalls to watch out for as your construction project gets toward the finish line
- Moving home with a temporary occupancy versus a final
- Expectations being met between you and your builder
- Resources if things do not go as planned
- Lien waivers, lien releases
- Completing your rebuild finances
- Final steps

CONSTRUCTION

Pace yourself

Avoid anxiety-driven decisions

- The anxiety to get home will often propel you to accept lower standards than you paid for
- Once you get near the end, you need the most patience
- When you see the impact of anxiety-driven decisions after you return home, you'll be dealing with the frustration and the problems of them; it's important to slow your roll

Wrapping up your rebuild

- Consider a private inspection before final payment; be present onsite for final inspection
- Occupancy permit – temporary occupancy permit or final certificate of occupancy
- Your contractor should provide you lien releases when construction is finished, so make sure you let them know that you are expecting it/them

Your perspective

You will need to:

- Determine if the final quality is what you were promised with the final walk through and punch list; there should be some time, usually a week, for them to remedy this list before final occupancy
- Convert insurance from construction to traditional homeowners once rebuild is complete
- From there you have a year to get everything finished (confirm your contractor will come back)

Builder's perspective

Project Completion means dwelling is rebuilt/replaced.
Contractor will:

- schedule a final walk through
- complete the final punch list you provide at the walk through
- ask you to sign off on final quality
- pay off the balance of utilities for rebuild
- give you your lien releases
- supply you with instructions and warranties for appliances, lights, irrigation etc.

Municipality's perspective

Project Completion means building codes are met and health and safety compliance. It does NOT ensure a well-constructed home.

If code violations are uncovered, the municipality can rescind the final occupancy permit

Building Codes Vs. Quality Workmanship

A house that is compliant with building codes is not necessarily well-constructed. Remember that inspection is the process that ensures that minimum standards for health and safety have been met; it does not involve assessing quality or aesthetic standards of work. The inspector will have nothing to do with issues such as shoddy workmanship, unless it puts an occupant in danger. These issues will be taken up with your builder when the two of you take your "walk-through" of your new home.

After the final inspection has been completed and the inspector has signed off on the card, the builder submits the card and any other required documents to the building department in order to secure a Certificate of Occupancy (C.O.). The building department, depending on their backlog, issues the C.O. to you, hopefully before your close of escrow. On occasion, they will issue a temporary Certificate of Occupancy, contingent on the actual one proceeding through its processes and reviews, to help you avoid issues with getting moved in or securing your interest rate or [mortgage](#) loan. The process of transferring title and handling the house begins when you receive the C.O.

Private inspection report

Building Description: 1 Single Family Residence / 2 Stories / 3 Bedrooms 2.5 Baths

Complete Building Assessment:

Subject of Immediate Repairs:

The subject of immediate repairs are repairs in which [REDACTED] would recommend to address and (or) to highly consider over the following 12 months' worth of time.

Within the next 12 months it is recommended that the home have some items addressed and or repaired. Items consist of the following.

1. Valley rafter near front entrance was observed to be installed incorrectly. Because of the 2 different roof pitches in this area has incurred a problem with the gutter system attaching to end of roofing rafters. If this problem isn't resolved leaking may occur from the gutter system in this area. This could result in water damage to roof rafter ends and roof sheathing.
2. During the process of construction the main electrical breaker box's location was changed. Because of this some wiring length was not long enough to accommodate the location change. These wires were spliced with wire nuts in main breaker box. Not having wiring going completely to breaker connections (Home Run) may cause shorting and electrical problems in the future.
3. On the front face of the structure near the entrance the fire sprinkler plumbing penetrates the weather barrier. This opening was observed to not be sealed with caulking properly. This could compromise weather barrier and should be sealed.
4. During the construction process no low voltage wiring was installed for doorbells. Not sure if this was designed or just missed.

Wiring Is Wire Nut Connected Improperly. Electrical Lines Need To Be A "Home Run" Connection To Breaker Box



Private inspection report examples



Roof Sheathing Is Not Cut Properly At End Of Roof Truss Ends



Side View Of Composite Roofing Raised Up Because Of Improper Gutter Install



Bird Blocking Installed With Splintered Material



Roof Truss Ends Not Cut Square At Same Distance



Roofing With Different Pitch Is Causing Composite Shingles To Rise When Gutters Installed



Plumbing Hole Penetration Needing To Be Sealed With Caulking



Problems with Builders

- Investigate the level of fit, finish, and quality to make sure it meets expectations (end product meets expectation)
- Did your builder install the products that you picked out or did he substitute lower quality products? If it is in your contract make sure your contractor fulfills the entire contract
- Is your contractor pulling all the resources away from your build to start work on another project, delaying your return to home?
- Some will hold you emotionally hostage to receive their final payment even though they have not finished your home

Locked out from *nearly* completed home (2017 Tubbs Fire)



How to break up with your builder

- Review contract with legal – Do you have an ‘out’?
- Discuss with builder first – 3 options (1) complete the work, (2) leave the work/voluntarily separate, (3) gain legal control of your property by getting the permit in your name
- Call your municipality and file a report
- File a complaint with Department of Consumer Affairs – Contractors State License Board
 - Mediation
 - Small Claims Court
 - Bond Claim
 - Arbitration
- Hire an attorney

California license resources

<https://www.cslb.ca.gov/>

The screenshot shows the homepage of the California State License Board (CSLB). The top navigation bar is dark blue and contains the CSLB logo, social media icons for home, Facebook, Twitter, Instagram, LinkedIn, YouTube, and a menu icon. It also includes links for 'License Check', 'About CSLB', 'Public Meetings', and 'Contact Us'. A language selection dropdown is set to 'Select Language' with a Google Translate logo. A 'Settings' gear icon and an accessibility icon are also present.

Below the navigation bar is a white section with the CSLB logo and the text 'DEPARTMENT OF CONSUMER AFFAIRS CONTRACTORS STATE LICENSE BOARD'. To the right are icons and labels for 'Consumers', 'Licensees', 'Applicants', 'Online Services', 'Media', and 'Resources'.

The main content area features a large photograph of a construction site showing wooden framing and sheetrock.

At the bottom is a dark blue bar with five circular icons and their corresponding labels: a checkmark for 'License Check', a magnifying glass over a document for 'Find My Licensed Contractor', an hourglass for 'Application Status', crossed wrench and screwdriver for 'File a Complaint', and a bar chart for 'Public Data Portal'.

CSLB Arbitration Program

You May Qualify for a CSLB arbitration program if:

- ▶ Your contractor is licensed in California; and
- ▶ You have not already filed civil litigation (taken the contractor to court); and
- ▶ The facts in your complaint meet certain legal criteria

If the CSR or ER determines that a CSLB arbitration program is appropriate in your case, you will receive an arbitration brochure and a form to sign, which CSLB will use to refer your complaint to arbitration and schedule a hearing. CSLB will pay for the arbitrator, as well as one expert witness, if needed, and the arbitration hearing. (If your contract contains a private arbitration clause, you may be referred to the applicable arbitration process specified in that contract.)

The biggest advantages of using CSLB-sponsored arbitration are cost, speed and ease of use.

- ▶ Arbitration is free. The CSLB pays the cost of the program;
- ▶ Arbitration is fast. It takes approximately 120 days to resolve a dispute;
- ▶ Arbitration provides an informal setting to resolve a dispute;
- ▶ Arbitration is binding;
- ▶ The Superior Court can enforce the arbitration award;
- ▶ If the contractor fails to comply with the award, his/her license will be suspended and after a year, revoked

CSLB administers two arbitration programs: a mandatory program for disputes involving alleged damages of \$15,000 or less, and a voluntary program for disputes involving allegations of damage between \$15,000 and \$50,000.

Complaints must meet stringent criteria to qualify for referral to a CSLB arbitration program. CSLB staff will determine whether the dispute meets these criteria. To review these programs see the Mandatory Arbitration and Voluntary Arbitration guides or you can order copies by calling 800.321.2752.

Colorado license resources

Unlike most other states, Colorado does not require a general contractor licensing at the state level. Most are regulated at the local level.

Boulder County: <https://bouldercounty.gov/property-and-land/land-use/building/licensed-building-contractors/>

City of Louisville: <https://www.louisvilleco.gov/local-government/government/departments/building-safety/contractor-licensing>

Town of Superior: <https://www.superiorcolorado.gov/departments/planning-and-building/permit-guidance/contractor-registration>

Deep Breath



REBUILD FINANCES

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Lien waivers / lien releases



Typically:
Tile contractors
Appliances
Woodworking
Landscapers
Concrete
Engineering
Plumbing
Countertops
Glass
Windows
Painters
HVAC
Lath & Plaster
Building supplies
Lumber
Doors

Conditional and Unconditional Waiver and Release Forms

General Principles: No lien release is binding unless the claimant signs and delivers a waiver and release. If signed by the claimant or his or her authorized agent, the signed form is effective to release the:

- ▶ Owner;
- ▶ Construction lender; and
- ▶ Surety (in the case of a payment bond).

For more information on mechanics liens, view the [Understanding Mechanics Liens](#) section.

Be careful: paying your contractor (and/or getting a release from your contractor) does not guarantee that other claimants, like subcontractors and suppliers, are paid. A claimant is a person who, if not paid, can file a lien on your property.

To be effective, the waiver and release forms must follow, substantially, one of the forms set forth in Civil Code sections 8132, 8134, 8136, and 8138. The forms are:

Lien waivers/releases

A CONSUMER GUIDE TO HOME IMPROVEMENT CONTRACTS

Mechanics Liens

Consumers are required to receive a "Notice to Owner" warning about property liens. Anyone who helps improve property, but is not paid, may place what is called a mechanics lien on the property. A mechanics lien is a claim made against the property by the person who was not paid, and is recorded with the county.

Even if the contractor is paid in full, unpaid subcontractors, suppliers, and laborers involved in the project may record a mechanics lien and sue the property owner in court to foreclose the lien. A property owner could be forced to pay twice or have the court sell the home to pay the lien. Liens also can affect a consumer's personal credit rating, and affect his or her ability to borrow and refinance.

Consumers can protect themselves from liens by getting a list from the contractor of all subcontractors and material suppliers who will work on the project, along with the dates they will start and finish the work. Material suppliers and subcontractors are required to give the property owner a "Preliminary Notice" of their right to file a lien within 20 days of delivering products/materials or 20 days of beginning the work. Have subcontractors sign lien releases when their portion of the work is completed.

Another option for consumers is to pay with a joint check that is payable to both the contractor and the subcontractor or material supplier.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

(Civil Code 8138)

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided and equipment and material delivered to the customer on this job. Rights based upon labor or service provided or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and releases by this document, unless listed as an exception below. The claimant has been paid in full.

EXCEPTIONS

This document does not affect the following:

Disputed claims for extras in the amount of: \$0.00

Signature

Claimant's Signature:

Company:

Claimant's Title:

Date of Signature:

What is it?

A Builder's Risk Policy is a supplemental insurance policy insuring the builder against losses to the home under construction, until such time as the homeowners policy can be transferred back to the home (typically when occupancy permit is finalized).

Most policies prohibit you from moving any personal items into a home before you have final occupancy. It will void the contract and not cover any loss.

Balancing your budget & bottom line

- Be mindful of change orders and their impact on your final bill
- Be aware of the terms of your contract and make sure your contractor is upfront about the impact of rapidly changing material costs
- Do NOT let your contractor "get ahead" of your agreed draw schedule
- If it is in your contract make sure that your contractor fulfills the entire contract; for example, some will say that money for landscaping has been used in another category

What to know about draws

- Draws indicate milestones that must be met before the draw is approved
- You would be signing for draws before bank releases payment
- If you dispute the draw, it's not typically paid until the builder has proved they have met the milestone
- Remember that by releasing that draw, you are acknowledging that your builder has completed all of the tasks to that point

PROJECT COMPLETION

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Warranties

- Express written warranty – one year as to fit and finish of floors, walls, and various fixtures
- Items installed under contractor's license free from defective installation, comply with both local building codes and manufacturer installment requirements – 4 years after completion of job
- Structural warranty – provided for 10 years by both contractor and engineer who signed off on project for latent defects such as unstable building sites, foundation integrity, roofing work

CA Construction Warranty Law

Title Seven of the CA Code: Requirements for Actions in Construction Defects

The screenshot shows the California Legislative Information website. At the top, there is a navigation bar with links for skip to content, home, accessibility, FAQ, feedback, sitemap, and login. The main header features the California State Capitol logo and the text "California LEGISLATIVE INFORMATION". A "Quick Search" box is visible with a dropdown for "Bill Number" and a search input field containing "AB1 or ab 1 or ABX1-". Below the header is a menu with options: Home, Bill Information, California Law, Publications, Other Resources, My Subscriptions, and My Favorites. The main content area shows a breadcrumb trail: "California Law >>> Code Section Group". There are search filters for "Code" (a dropdown menu) and "Section" (a text input field with "1 or 2 or 1001" entered), along with a "Search" button. Below the filters, there are tabs for "Code Search" and "Text Search". The main text area displays the following hierarchy:

- [Up^](#) [Add To My Favorites](#)
- CIVIL CODE - CIV**
- DIVISION 2. PROPERTY [654 - 1422]** (Heading of Division 2 amended by Stats. 1988, Ch. 160, Sec. 13.)
- PART 2. REAL OR IMMOVABLE PROPERTY [[755.] - 945.5]** (Part 2 enacted 1872.)
- TITLE 7. REQUIREMENTS FOR ACTIONS FOR CONSTRUCTION DEFECTS [895 - 945.5]** (Title 7 added by Stats. 2002, Ch. 722, Sec. 3.)
- CHAPTER 3. Obligations [900 - 907]** (Chapter 3 added by Stats. 2002, Ch. 722, Sec. 3.)

900. As to fit and finish items, a builder shall provide a homebuyer with a minimum one-year express written limited warranty covering the fit and finish of the following building components. Except as otherwise provided by the standards specified in Chapter 2 (commencing with Section 896), this warranty shall cover the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes, and trim, but shall not apply to damage to those components caused by defects in other components governed by the other provisions of this title. Any fit and finish matters covered by this warranty are not subject to the provisions of this title. If a builder fails to provide the express warranty required by this section, the warranty for these items shall be for a period of one year.

(Added by Stats. 2002, Ch. 722, Sec. 3. Effective January 1, 2003.)

Marshall Fire rebuilding resources

- City of Louisville: <https://www.louisvilleco.gov/local-government/government/departments/planning/rebuilding-resources-following-marshall-fire>
- Town of Superior: <https://www.superiorcolorado.gov/departments/planning-and-building/marshall-fire-community-planning-and-rebuilding-effort>
- Unincorporated Boulder County: <https://bouldercounty.gov/property-and-land/land-use/building/marshall-fire-rebuilding/>
- Comprehensive rebuilding website: <https://bouldercounty.gov/disasters/wildfires/marshall/>

Stay informed – Sign UP

To be added to our mailing list for notices of future events and updated guidance:

Encourage friends to sign up:

www.uphelp.org/signup

To request a copy of today's slides or video,
email: **info@uphelp.org**

Stay connected to other disaster survivors – S2S Forums

- Great source of information about:
 - Insurance and rebuilding
 - Negotiation and financial strategies
 - Referrals and warnings re: professionals
- Important source of emotional support
 - No one else understands your challenges and emotions like another survivor

Find upcoming Survivor 2 Survivor Forums and register at:
<http://www.uphelp.org/events>

Upcoming Roadmap to Recovery[®] Events

The screenshot shows the United Policyholders website navigation bar with links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, and SUPPORT UP. A search bar is located on the right. Below the navigation bar, the breadcrumb trail reads "Home » Events". The main content area is titled "UPCOMING EVENTS" and features three event cards. Each card includes the event title, date and time, location, and a "VIEW +" button.

Event Title	Date & Time	Location	Registration
Taxing Matters for Disaster-Impacted Households	Thursday, March 14, 2024 3:00 pm HT / 6:00 pm PT / 7:00 pm MT	Zoom	Wildfire Survivors 2018-2023
Survivor to Survivor Forum (for wildfire survivors)	Tuesday, March 19, 2024 4:00 p.m. HT / 7:00 p.m. PT / 8:00 p.m. MT	zoom - registration required	All wildfire survivors
Survivor to Survivor Forum (for wildfire survivors)	Tuesday, April 16, 2024 4:00 p.m. HT / 7:00 p.m. PT / 8:00 p.m. MT	zoom - registration required	All wildfire survivors

www.uphelp.org/events

Register for upcoming events.

View recordings of past events and related resources.

Ask an Expert Forum

www.uphelp.org/ask-an-expert

The screenshot shows the 'Ask an Expert' forum page on the United Policyholders website. The page features a navigation bar with links for 'LOG OUT', 'MY QUESTIONS', 'ASK AN EXPERT', and a search bar. Below the navigation bar is a purple banner with the text 'ASK AN EXPERT'. Underneath the banner, there are links for 'HOME' and 'ACCOUNT'. A note states: 'NOTE: THIS FEATURE IS CURRENTLY IN BETA TESTING. Thanks for your patience as we work out the bugs.' Below the note, there is a paragraph: 'You Need Answers. Use this forum to get them. Search for answers or post a question about your insurance issue or the loss recovery process. Expert volunteers include professionals in construction, insurance claims and insurance law plus people sharing their own disaster recovery lessons learned.' To the right of the note are social media icons for Facebook, Twitter, LinkedIn, Instagram, and YouTube. Below the note is a section titled 'EXPLORE CATEGORIES' with a dropdown menu showing 'Additional Living Expenses (ALE)'. Below that is a section titled 'FREQUENTLY USED PUBLICATIONS' with a link to 'Top Ten Insurance Claim Tips'. At the bottom of the page, there is a search bar with the text 'WHAT DO YOU WANT TO KNOW?' and a search icon.

- Register. It's free.
- Write in your questions.
- Get an answer from an expert in construction, insurance, laws and disaster recovery.

Thank You to Our Funders



**Community
Foundation
Boulder County**