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Infrastructure Recovery Program Manual

State of North Carolina

Revision History

Version	Description	Date
1.0	Program Initial Draft	2/1/18
2.0	Modifications for Consistent Manual Terminology	4/4/18
3.0	Modifications to sections 5 & 6 and Procurement Policy	4/24/18
4.0	Re-paginated document and TOC. Additional links, new pages 5 & 6. Deletion of original sections 3 and 4 in their entirety and modifications affecting Sections 1 and 2 as a result. Modifications to new Sections 3, 4, 5 and 6.	6/25/18
5.0	Modifications and hyperlink placeholders to clarify Uniform Relocation Act, Fair Housing, and Anti-Displacement Policy as related to the Community Recovery/Infrastructure Program. Modified Table in Section 3.1.3 to accurately reflect Wayne County award amount. Several other minor editorial revisions and additions.	11/20/18
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7.0	Changed program title consistent with Matthew Substantial Action Plan Amendment 6. Changed Grantee to NCORR. Changed Monitoring and Compliance Group to Compliance Department. Modifications to Sections 3.1.3, 3.2.9, 4.6.1, and 3.2.11.1. Updated Exhibits 1 – 4 and added Exhibits 6 – 8. Editorial changes throughout the document subsequent to review by Infrastructure Recovery staff.	4/21/21
8.0	Changed manual title to more accurately reflect content focus on program policy. Added language on funding limits for non-federal match for U.S. Army Corps of Engineers projects. Added language regarding requirement for flood insurance. Added language regarding ineligibility of assistance to privately-owned utilities. Updated Exhibits to include HUD Exhibits 6-4 & 6-13.	9/23/22

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North Carolina Program Goals

INTRODUCTION

In response to the damage caused by Hurricane Matthew, the U.S. Congress, through Public Law (P.L.) 114-254 on December 10, 2016, appropriated \$198,553,000 of United States Housing and Urban Development (HUD) Community Development Block Grant - Disaster Recovery (CDBG- DR) program funds to North Carolina. The appropriation provided federal disaster aid to assist North Carolina address damages to public infrastructure, to repair and restore housing stock that was damaged and to provide assistance to the business community which suffered losses caused by Hurricane Matthew. The HUD funds were provided to augment and Federal funding previously provided through FEMA and the Small Business Administration.

North Carolina outlined the use of these disaster recovery funds by creating a suite of recovery programs for Hurricane Matthew, publishing the program in the State's Action Plan for Use of Community Development Block Grant Program Disaster Recovery funds which was submitted and approved by the U.S. Department of Housing and Urban Development (HUD). The initial action plan included creating programs to address community recovery and infrastructure programs while also providing funds to assist with planning efforts needed to develop the State's recovery programs.

Recognizing the ongoing need to provide additional funding to support recovery efforts in North Carolina, the U.S. Congress, through Public Law (P.L.) 115-31 provided an additional \$37,976,000 of HUD CDBG-DR funds to the State on May 5, 2017. With these additional funds available for disaster recovery, in October of 2017 the State published a substantial action plan amendment outlining how it would utilize the additional funding and combine with the initial allocation to address disaster recovery in the State. In November of 2017, this substantial action plan amendment was submitted to HUD for approval and then approved by HUD in April 2018. Recognizing the ongoing need to address infrastructure repairs and to enact projects that were identified in the State's comprehensive community-based county-led planning process, the state has allocated additional funds from this allocation to address community recovery and infrastructure needs. The Action Plan and all amendments are available at the following link: <https://www.rebuild.nc.gov/about/plans-policies-reports/action-plans>.

OVERSIGHT OF HURRICANE MATTHEW DISASTER RECOVERY PROGRAMS

Governor Cooper directed that State agencies work together to address the recovery needs following Hurricane Matthew, using the expertise and experience that agencies have in working with communities and residents. To maximize the coordination of recovery and rebuilding efforts in municipalities throughout North Carolina affected by Hurricane Matthew, the Governor directed that State of North Carolina Office of Recovery and Resiliency (NCORR), which oversees disaster recovery in the State, primarily using FEMA funds, be the lead agency. NCORR was thus charged with overseeing the recovery effort across State agencies and with units of local government. He also directed NCORR to create a CDBG-DR program to directly manage the State's Hurricane Matthew housing and Infrastructure Recovery programs.

As a result, NCORR works in close collaboration with other Federal and State agencies engaged in disaster recovery, to support rebuilding and recovery actions in North Carolina using all available resources including HUD, FEMA, and SBA federal funding. NCORR with access to these funds is

coordinating and provide funding to local governments and public entities in storm- damaged counties. NCORR is collaborating with local and community leaders to respond to their communities' most urgent rebuilding needs and identifying long-term, innovative solutions to strengthen the State's infrastructure systems.

MANUAL OVERVIEW

This Manual outlines the policies and procedures that the State and its agents use to direct the operation of the Infrastructure Recovery Program (the program). This Manual is intended to serve as a resource for North Carolina residents and other parties, including State agencies, units of general local government, and non-profit organizations that are engaged as recipients to deliver assistance through the program. It details how the program will operate, including basic information on who will be served by each program, the types of assistance offered, and program recipient obligations.

This Manual only addresses the Infrastructure Recovery Programs. This Manual, the State Action Plan and subsequent amendments, and the policy manuals for other North Carolina Disaster Recovery programs are available for public review and use at the following link: <https://www.rebuild.nc.gov/about/plans-policies-reports/rebuild-nc-program-manuals>.

MEETING CDBG-DR PROGRAM GOALS – NATIONAL OBJECTIVE

To meet HUD disaster recovery objectives, North Carolina has specifically designed programs to help impacted residents and communities recover from the damage inflicted by Hurricane Matthew. As expressed in the Federal Housing and Community Development Act, the primary objective of the general CDBG program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate- income (LMI).” CDBG-DR funding appropriated in response to disasters must also meet this general objective.

All CDBG-DR funded Infrastructure Recovery activities must meet one of the three national objectives required under the authorizing statute of the CDBG-DR program:

- Benefit LMI persons.
- Aid in the prevention or elimination of slums or blight (Slum and Blight)
- Meet a need having a particular urgency (Urgent Need).

Activities must also meet at least one CDBG-DR program eligible activity and demonstrate a tie to one of the presidentially declared disaster events, outlined in the Federal Register Notices, as well as Section 2.1 of this Manual.

FULFILLING THE PRINCIPLES ESTABLISHED BY NORTH CAROLINA'S ACTION PLAN

The Infrastructure Recovery Program is expected to encourage recovery in communities by ensuring that they are not just rebuilt to pre-storm condition, but to the extent feasible, become safer, especially in areas where there is an elevated risk of future flooding. The program also strives to revitalize the vibrancy of North Carolina disaster-impacted communities, while enhancing the quality of life of storm-impacted residents, and help communities develop and implement strategies that facilitate the coordination and use of the CDBG-DR funding with other Federal, State, and local community development resources.

CITIZEN PARTICIPATION PLAN

North Carolina's Citizen Participation Plan provides North Carolina citizens with an opportunity to participate in the planning, implementation, and assessment of the State's CDBG-DR recovery program. The Plan sets forth policies and procedures for citizen participation, in accordance with federal regulations, which are designed to maximize the opportunity for citizen involvement in the community development process. The State has attempted to provide all citizens with the opportunity to participate, with emphasis on low and moderate income individuals, individuals with limited English proficiency, and individuals requiring special accommodations due to disabilities. The State's Citizen Participation Plan ensures that there is reasonable and timely access for public notice, appraisal, examination, and comment on the activities proposed for the use of CDBG-DR grant funds. For the Infrastructure Recovery Program, NCORR follows the CDBG-DR Citizen Participation Plan.

In following HUD's guidance, the Substantial Action Plan Amendments now include a thirty-day public period with at least one public hearing. The State has, and will continue to, coordinate technical and programmatic outreach meetings with State entities, local governments, non-profits, private sector, and involved associations. The State invites public comments to the Action Plan and Substantial Amendments as required by HUD. These documents are posted prominently and can be accessed at:

<https://www.rebuild.nc.gov/about/plans-policies-reports/action-plans>.

The State uses news outlets, print and social media in addition to means such as press releases, posting notices on the North Carolina State Governor's website and/or NCORR's website, to maximize access of program information to the impacted citizens and businesses. The Citizen Participation Plan can be accessed at: https://files.nc.gov/rebuildnc/documents/Policy_forms_reports/26336_Citizen-Participation-Plan-v3_508.pdf.

Section 1: Summary of Infrastructure Recovery Program and Funding Resources

The State's Infrastructure Recovery Program utilizes CDBG-DR funds to provide funds to units of government to develop "stand-alone" infrastructure projects which are funded with up to 100% CDBG-DR funding, that are necessary to address identified unmet disaster recovery needs in communities and counties that are not funded by other federal recovery programs or to implement projects identified in the State's countywide planning process initiated after Hurricane Matthew. The State continues to work with all federal partners to maximize available repair and mitigation funds that these agencies can provide. In particular, the State has been working to develop solutions to address the recovery needs of local, county, and State government agencies and has been focused on ensuring that publicly owned critical infrastructure assets are being repaired and constructed in ways that are more resilient. Following guidance provided by HUD with this allocation of funds, projects in this program are also designed to address community recovery while also ensuring that the housing needs of communities are addressed.

Following Hurricane Matthew, the State decided that it wanted to not only restore impacted communities to their pre-storm condition but to make them more resilient to future storm events. To achieve these benefits the State engaged in a planning process for each of the fifty declared counties. At the end of this planning process, a series of storm-related infrastructure projects were identified. As result of that process and with

unmet recovery needs in the region, the State developed the Infrastructure Recovery program to provide resources to storm damaged units of government and communities to implement some of the recovery projects that were identified through the community-based planning approach and to address identified recovery gaps in funding for public services and critical infrastructure that benefit the community and regions that were impacted by Hurricane Matthew.

Section 2: HUD Requirements - Infrastructure Recovery Program Projects

All projects in the program are being implemented by a unit of government, not-for-profit, or State agency must comply with the requirements in this section as well as relevant requirements shown in the State's Administrative Manual. Other program-specific policies and procedures are outlined in subsequent sections of this Manual.

2.1 TIE TO THE STORM, NATIONAL OBJECTIVE, AND ELIGIBLE ACTIVITY

Before any activity can be funded in whole or in part with CDBG-DR funds, the activity must be determined eligible under Title I of the Housing and Community Development Act (HCDA), as amended.

2.1.1 Tie to the Storm

All activities funded with CDBG-DR in the program must in some way respond to a direct or indirect impact of the following federally declared disaster:

- DR-4285 Hurricane Matthew (2016)

For projects that the state or units of government may develop through the program that are 100% CDBG-DR funded projects or where CDBG-DR funds are the primary funding source, the tie to the storm is documented as a part of the project information form and project information form review process and stored in the program and project file (see Section 3.2.4 and 3.2.5).

2.1.1.1 Geographical Eligibility

CDBG-DR funds can only be used in counties that were presidentially-declared disaster areas. NCORR will only utilize and provide funds for work in these counties. A map of the counties that were presidentially-declared along with a list of counties that are eligible for the program are shown in Exhibit (TBD). Following each allocation, HUD requires the State to utilize 80% of the overall allocation of funds in HUD-defined 'most impacted and distressed' counties, as outlined in the federal notices. The most impacted counties for the Hurricane Matthew are shown below:

- Hurricane Matthew (4285): The HUD-defined most impacted counties are: Cumberland, Edgecombe, Robeson and Wayne. Entities located in the other presidentially-declared counties can receive 20% of the overall allocation of CDBG-DR funds.

2.1.2 Meeting a National Objective

All activities funded with CDBG-DR funds must meet one of the three national objectives outlined in the introduction of this Manual. Benefit to persons of Low to Moderate Income (LMI) and Urgent Need (UN) national objectives are expected to be the primary national objectives used in this program.

The CDBG-DR regulations state that a project is not considered as meeting a national objective until the project is complete. NCORR track's each project through the completion and closeout phase to ensure that the national objective is met.

2.1.2.1 National Objective Documentation and Records

program records must demonstrate that funded activities meet a national objective. Depending on the national objective, the files must contain, at a minimum, the documentation described in the table below. This documentation may also be used in reporting performance measures.

Table 1: Required Documentation to Meet a National Objective

Step	Key Activities
LMI Area Benefit	<ol style="list-style-type: none"> 1. Boundaries of service area of activity 2. Census data including total persons and percentage LMI 3. Evidence area is primarily residential 4. Survey documentation (if applicable).
LMI Limited Clientele	Documentation that the beneficiaries are or are presumed to be LMI (by category).
LMI Housing	If applicable, income documentation for all household members 18 years of age and older.
Urgent Need	Per the January 18, 2017 Federal Register Notice (82 FR-5591) as modified by the August 17, 2017 Federal Register Notice (82 FR-36812), Urgent Need documentation requirements are waived until the end of the grantee's expenditure deadline.
Slum and Blight	<ol style="list-style-type: none"> 1. Designation of an area as Slum and Blight 2. Spot designation for Slum and Blight.

The types of records to be maintained for each CDBG-DR-funded activity depend on the national objective category for which they qualify. For all infrastructure projects the determination of the national objective is completed during the project information form review process based on HUD guidance.

2.1.3 Meeting an Eligible Activity

For a detailed overview of the eligible activity requirements for CDBG, please refer to 24 CFR 570 – Community Development Block Grants Subpart C – Eligible Activities¹. All CDBG-DR- funded activities must meet one of the eligible activities outlined in Section 105(a) of HCDA², or relevant Federal Register Notices.

Infrastructure Recovery activities primarily use the HUD-eligible activities listed below; however it reserves the right to use other eligible activities as necessary for recovery projects.

- Public Facilities (no assistance will be provided to privately-owned utilities, as required by 81 FR 83273)
- Debris Removal
- Public Services
- Planning
- Code Enforcement

¹ 24 CFR Part 570 – Community Development Block Grants. <https://www.hudexchange.info/resource/3689/24-cfr-part-570-cdbg/>

- Clearance
- Non-Federal share
- Energy Use Strategies
- Economic Revitalization

2.2 TIMELY EXPENDITURE OF FUNDS

As per the Appropriations Act, CDBG-DR funds must be obligated and expended within six years of the date funds are obligated, unless a waiver is granted by HUD.

2.3 ORDER OF ASSISTANCE

The program has instituted a variety of checks to ensure that CDBG-DR funds are used only as the recovery funding source of last resort. Projects developed and/or funded by NCORR or a recipient are reviewed for applicability and eligibility against other Federal disaster recovery programs, including FEMA and U.S. Army Corps of Engineers (USACE) funding sources, before being considered for CDBG-DR funding. The program follows the steps below to ensure the Order of Assistance requirement is met.

- Review of State and local priorities
- Recommendation of appropriate funding source(s) by Infrastructure staff to Program Manager.
Possible funding sources are considered in the following order:
 - FEMA PA Program
 - The PA Program provides assistance to State, Tribal and local governments, and certain types of private nonprofit organizations to help communities quickly respond to and recover from major disasters or emergencies.
 - FEMA HMGP
 - HMGP provides grants to States and local governments to implement long- term hazard mitigation measures after a major disaster declaration.
 - FEMA Community Disaster Loan Program (CDL)
 - FEMA CDL supports local governments or other eligible jurisdictions in a designated disaster area that have demonstrated a substantial tax loss and a need for financial assistance to perform their governmental functions.
 - USACE
 - USACE works with Federal, State and local partners to reduce risk to lives, property and the environment, and to strengthen coastal community resilience.
 - It should be noted that CDBG-DR funds may be used for the non-federal match for a project funded by USACE as long as the amount of CDBG-DR funding is \$250,000 or less.
 - Other relevant disaster recovery funding sources, including State funds
- Confirmation of funding source(s) available by NCORR Infrastructure Manager.
- Development of appropriate project information forms or assisting potential recipients and with project information form development as applicable.
- Coordination with federal funding agencies prior to NCORR's approval and commitment of CDBG-DR funds.

If a project is denied funding or otherwise found to be ineligible in steps 2-5, this process returns to step 1 for detailed funding review and development, considering the Order of Assistance outlined in step 2. If determined necessary, an Order of Assistance Verification Form documenting these procedures is

completed by either the Infrastructure program staff for state-run programs or recipient staff for projects implemented at the local level. The verification form is saved in the project files in the program's system of record, Salesforce.

2.4 DUPLICATION OF BENEFITS

Disaster recovery activities may be funded through a variety of both public and private sources. A Duplication of Benefits occurs when financial assistance received from one source is provided for the same purpose for which CDBG-DR funds are provided in accordance with Section 312 of the Stafford Act and HUD guidance in the November 16, 2011 at 76 FR 71060. Duplication of Benefits processes for projects funded through the Infrastructure Recovery program can be found in Exhibit 4 of this manual. All projects funded in whole or in part with CDBG-DR funds are reviewed for applicability and eligibility against other recovery programs before being considered for CDBG-DR funding. This review for applicability and eligibility is an iterative process that occurs throughout the duration of the project to protect against a Duplication of Benefits. See Exhibit 4 for the North Carolina CDBG-DR Duplication of Benefits Policy. Although payment of the non-Federal share is an eligible activity under the Infrastructure Recovery program per HCDA 105(a)(9), the program does not currently provide funding for the non-Federal share requirements of other Federal disaster recovery programs.

2.5 PROGRAM INCOME

Following the program income requirements and waivers as granted through the Matthew allocation (82 FR 5591), (82 FR 36812) and prior notices (81 FR 83254), all program income must be returned to the State unless explicitly contained in the recipient agreement or unless stated otherwise. Program income that is maintained by the recipient must be used for CDBG-DR activities during the life of the grant. If the State determines that it wishes to allow the recipient to retain program income after close-out of the CDBG-DR program it must be used following traditional CDBG program income regulations.

2.6 MONITORING AND COMPLIANCE OVERSIGHT

NCORR must ensure compliance with applicable regulations, which include but are not limited to regulations regarding: recordkeeping, administrative and financial management, environmental compliance, citizen participation, conflict of interest, procurement, Davis-Bacon Labor Standards, diversity and civil rights regulations (Minority and Women's Business Enterprise, Section 3, Fair Housing, Limited English Proficiency, and American with Disabilities Act), property acquisition and management, displacement, relocation, and replacement.

NCORR has established a Compliance and Monitoring Manual to be administered by the Compliance Department to ensure that all programs and projects comply with applicable federal, State, and local regulations and effectively fulfill the goals set forth in the Action Plan and the Action Plan Amendments. A copy of the manual is available upon request and will be available at <https://www.rebuild.nc.gov/> in the future.

2.7 COMMUNICATIONS AND INVESTIGATIONS

NCORR through the Communications group is responsible for the following duties:

- Managing a fraud hotline;
- Processing all incoming complaints relating to fraud, misconduct, and wrongdoing;
- Reviewing and analyzing such complaints;
- Obtaining relevant programmatic information to assess such complaints; and

- Determining appropriate further action, including but not limited to further internal investigation, referral to the appropriate law enforcement agency, and corrective action to address any risks or deficiencies in existing programmatic policies and procedures.

2.8 DIVERSITY AND CIVIL RIGHTS OVERSIGHT

NCORR's Compliance Department works closely with subrecipients and contractors to advance HUD and NCORR's mission, while increasing access to its workforce and contracting opportunities. This is achieved through advocacy, outreach, TA and training, regulatory review and program implementation. The Compliance Department liaises with North Carolina's Historically Underutilized Business program (HUB) located at the Division of Administration to align contracting opportunities tied to Hurricane Matthew funding. The Compliance Department facilitates NCORR's compliance with several federal and state diversity and inclusion regulations including: The Minority and Women-Owned Business Enterprises (M/WBE), Veteran Owned Small Business Enterprises (VOSB), Fair Housing & Equal Opportunity (FHEO) and HUD's Section 3 Program. The Department also oversees important accessibility issue areas, including: Limited English Proficiency (LEP), Americans with Disabilities (ADA) and Section 504 of the Rehabilitation Act.

The NCORR Compliance Department serves as an internal resource for NCORR, providing support to programs, subrecipients, and vendors, in achieving compliance with statutory requirements and diversity objectives. The Department's programmatic support services include:

- Working with Infrastructure Program projects to ensure they are aligned with HUD, the State and NCORR's diversity and civil rights requirements;
- Reviewing and providing guidance on Section 3 Plans, Section 3 Greatest Extent Feasible Efforts, M/WBE Utilization Plans and M/WBE Good Faith Efforts;
- Conducting TA and trainings with internal program staff, recipients and contractors;
- Planning and executing networking events which bring together NCORR recipients and contractors with M/WBE, VOSB and Section 3 businesses looking for contracting opportunities;
- Participating in pre-bid, pre-construction and project meetings to consistently be a resource and provide strategic advice where required;
- Providing policy and regulatory guidance pertaining to applicable diversity regulations, particularly M/WBE, VOSB and Section 3 requirements;
- Strategically identifying M/WBE, VOSB and Section 3 firms in order to facilitate the dual goals of providing greater opportunities to M/WBE, VOSB and Section 3 firms, while also assisting program in meeting their mandated goals and requirements;
- Working with recipients and vendors to utilize the North Carolina's HUB Opportunities Portal to post procurement and job opportunities in order to recruit and source M/WBE, VOSB and Section 3 businesses and Section 3 residents; and
- Provide hands-on TA to recipients and contractors where there is a gap between their project's required goals and current utilization.

For more information about the Infrastructure Program's M/WBE, VOSB and Section 3 procedures, see section 2.9.8 and Section 2.9.9.

2.9 CROSS-CUTTING FEDERAL REGULATIONS

NCORR and its recipients must adhere to all applicable State and Federal laws, rules, and regulations. This section provides a summary of the significant and applicable Federal regulations for all Infrastructure Program activities.

2.9.1 Americans with Disabilities Act

The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications device for the deaf (TDD)/telephone relay services.² NCORR takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by NCORR, and that any services are delivered in the most integrated manner possible. Qualified persons with disabilities are informed of the availability of program services and activities, and NCORR's programs or services are readily accessible to, and usable by, individuals with disabilities. NCORR also ensures that reasonable modifications or changes to policies, practices, or procedures are made in order to guarantee people with disabilities equal access to services and programs. Additionally, all programs and activities are accessible, both structurally and administratively, to persons with disabilities. NCORR's mandate to conform to the requirements of ADA, flows down to all of its stakeholders, including recipients, vendors and developers.

2.9.2 Davis-Bacon Labor Standards

The Davis-Bacon Act and Related Acts (DBRA)³ applies to contractors and subcontractors carrying out federally funded or assisted contracts in excess of \$2,000 for the fringe benefits for corresponding work on similar projects in the area. In some cases, North Carolina Prevailing Wage Law is in effect. In these cases, the higher prevailing wage rate between the Federal and State must be adhered to and made applicable. For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, NCORR must follow the reporting requirements per HUD and U.S. Department of Labor regulations. This requirement also extends to NCORR recipients and contractors.

The Compliance Department ensures that NCORR's CDBG-DR program and services are in compliance with DBRA through the submission of certified payroll records and interviews of prime and subcontractor laborers. NCORR utilizes salesforce to track, review, and monitor weekly payroll submissions by contractors. NCORR procured Salesforce Systems—a cloud-based system that has a Davis-Bacon, labor and contract compliance management module - to assist with DBRA compliance.

2.9.3 Force Account Labor

Force account labor occurs when a unit of government that is a recipient uses their own workforce to complete construction of an Infrastructure Recovery Program project. For infrastructure projects, the use of force account labor requires advance review and approval by NCORR. This may be documented by approval of a project budget that includes force account labor as a line item. Subrecipients that proceed

² https://www.ada.gov/2010_regs.htm

³ 40 U.S.C. 3141 et seq.

without prior approval risk disallowance of all incurred costs. The force account labor approval process is used for all infrastructure projects.

Units of government frequently utilize some staff to undertake repairs following a disaster. As part of its review process, NCORR monitors and documents whether projects included work that was performed using force account labor and materials, contractual labor, or a combination of force account and contractual labor. NCORR requires advance approval for the use of force account labor and will deem the use of force account labor or materials ineligible if appropriate supporting documentation is not obtained.

2.9.4 Equal Employment Opportunity

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.⁴

2.9.5 Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance for housing related activities to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. For projects within the Infrastructure Recovery program such as Public Housing and Supportive Services NCORR enforces the Fair Housing Act by ensuring that all subrecipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on NCORR's or the RebuildNC.gov website, as applicable. The Affirmative Marketing Plan must be in compliance with applicable Fair Housing Laws and demonstrate how the applicant or recipient will affirmatively further fair housing throughout applicable NCORR disaster recovery programs.

2.9.6 Fair Labor Standards Act of 1938, as Amended

The Fair Labor Standards Act of 1938, as amended (FLSA), establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project. Excluding the exceptions listed below, all workers employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under NCORR's CDBG-DR program, must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

In some cases, North Carolina Prevailing Wages and Davis-Bacon Prevailing Wages both apply. In such instances, the higher of the two prevails. Exceptions to FLSA include:

- Construction contracts of \$2,000 or less;

⁴ 41 CFR Part 60

- Real property acquisition;
- Architectural and engineering fees;
- Other services (such as legal, accounting, construction management);
- Other non-construction items (such as furniture, business licenses, real estate taxes);
- Rehabilitation of residential property designed for fewer than eight families; and
- Debris removal, demolition, and/or clearance activities, unless related to construction (demolition and clearance as independent functions are not considered construction). Contact a NCORR CDBG-DR Labor Specialist for assistance.

2.9.7 Limited English Proficiency

Federal Executive Order 131661 requires NCORR and all satellite offices, programs, recipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. NCORR ensures fair access through the implementation of a Language Assistance Plan (LAP) which includes non- English based outreach, translation services of vital documents, free language assistance services, and staff training. NCORR's Compliance Department team is responsible for coordinating all activities associated with the LAP and coordinating with North Carolina's 2-1-1 relay system to assist persons with LEP.

2.9.8 Minority- and/or Women-Owned Business Enterprises

Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (MBEs). 2 CFR 200.321 requires the Non-Federal entity to take all necessary steps to ensure that all recipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance ensure that contracts and other economic opportunities are directed to small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms when possible.

North Carolina wants to ensure that public entities utilize M/WBE firms through its HUB program managed at the Division of Administration. As noted in Executive Order 25, Section 5, the HUB program works to incorporate HUD's programmatic requirements into contracting opportunities. As such, NCORR ensures compliance with these goals by requiring, as applicable, recipients and contractors to make best efforts to achieve the overall M/WBE participation goal that the State has set for the entire contract value.

For all projects and agreements, NCORR will be required to make best efforts to achieve an overall M/WBE participation goal of 10% of the entire contract, per Executive Order 25. NCORR verifies with DOA HUB the M/WBE certification, and that Compliance Department monitors to ensure compliance with all reporting requirements through Salesforce.

For all Infrastructure Recovery projects, the Compliance Department works with applicants and recipients to provide the TA, guidance, and one-on-one support, required to implement good faith efforts and meet applicable M/WBE thresholds. The Compliance Department monitors the level of M/WBE utilization and provides additional support as required.

2.9.9 Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires that grantees, subgrantees, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part by CDBG- DR

funding, to the greatest extent feasible, extend hiring opportunities and contracts to Section 3 eligible residents and businesses. Section 3 eligible residents are low- and very low- income persons, particularly those who live or reside in public, or government assisted housing.

For those entities that receive more than \$200,000 in HUD CDBG-DR assistance, and contractors that are awarded covered contracts that exceed \$100,000, NCORR requires that an approved Section 3 plan be in place before the project is awarded and approved. On a quarterly basis, the Compliance Department reviews and tracks quarterly reports as well as calculates utilization rates. The Compliance Department informs the Infrastructure Recovery Program of outstanding quarterly reports and of current utilization rates.

The Department provides training, TA, and one-on-one support for all projects, especially in terms of developing and reviewing Section 3 plans, as well as implementing best efforts to meet Section 3 goals. The Department also reviews Section 3 goal attainment and provides additional on the ground support where required.

For the Infrastructure Recovery Program, projects are required to meet Section 3 requirements as shown above. Section 3 goals and objectives are set depending on the date of completion of each project and project bid dates. NCORR staff ensures that Section 3 objectives are addressed through direct TA with individual applicants and file reviews of projects.

2.9.10 Residential Anti-Displacement

NCORR and all subrecipients must follow a Residential Anti-Displacement Policy. The NCORR policy is available upon request. Subrecipients or contractors must provide the following benefits to households or businesses that they displace:

- Relocation advisory services;
- A minimum of 90-day notice to vacate;
- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

2.9.11 Uniform Relocation Act and Real Property Acquisition

In order to carry out Infrastructure activities in compliance with URA requirements, NCORR has adopted the URA Standard Operating Procedures and Optional Relocation Policy. This document provides program staff and contractors with Standard Operating Procedures to meet URA requirements for the temporary and permanent displacement of tenants. This document also outlines NCORR's Optional Relocation Policy for owner-occupants voluntarily participating in NCORR programs.

2.9.11.1 Real Property

If CDBG-DR funds are used to acquire real property, NCORR ensures that the property continues to be used for its intended (and approved) purpose, proper records are maintained to keep track of it, steps are taken to protect and maintain it, and that if the property is sold, NCORR is reimbursed for the CDBG-DR share of the property's value.

This approach to the ownership, use, management, and disposition of property is complicated by two facts. First, the rules about property management and disposition differ slightly depending on whether a grantee is a public-sector subrecipient (the rules are generally more explicit for governmental grantees) or a private

sector subrecipient. Second, real property (e.g., land, buildings) is treated differently than personal property, as required in 2 CFR 200.

The federal requirements relating to real property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control and proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return. For the sale of property owned by local governments, competitive disposal procedures are required under Article 12 of Chapter 160A of the North Carolina General Statutes, and generally include public notice of the intended sale, price competition, contract award to the highest responsive, responsible bidder, and governing board approval of the conveyance.

2.9.11.2 Acquisition of Real Property

Upon notification of permission from NCORR, the recipient may proceed with efforts to acquire any real property, including easements and rights-of-way, required for the project. CDBG-DR federal funds, administered by NCORR and disbursed to recipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) and/or Section 104(d) of the Housing and Community Development Act of 1974 as waived by (81 FR 83254) and (82 FR 5591). The applicable federal regulations are located at 49 CFR Part 24 (URA), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378).

A purchase option agreement on a proposed site or property prior to the completion of the environmental review is allowed if certain actions have been taken ahead of time: 1) the option agreement must be subject to a determination by the recipient on the desirability of the property for the project; 2) an environmental review must have been completed; and, 3) the cost of the option must be a nominal portion of the purchase price. Prior to advertising for bids, the recipient must have obtained all lands, rights-of-way and easements necessary for carrying out the project. More detailed information regarding real property acquisition follows below.

For the purposes of this manual, “property to be acquired” refers to any kind of permanent interest such as fee simple title, land contracts, permanent easements, long-term leases (50 years or more), and rights-of-way. Temporary easements are also subject to all of the same rules as other forms of acquisition unless the temporary easement exclusively benefits the property owner. Subrecipients should also be aware that all methods of acquisition (e.g., purchase, donation, or partial donation) are covered by the URA.

Acquisition rules must be followed whenever:

- The subrecipient undertakes the purchase of property directly;
- The subrecipient hires an agent, private developer, etc. to act on their behalf; and
- The subrecipient provides a nonprofit, or for-profit entity organization with funds to purchase a property; or
- The subrecipient provides federal assistance to individuals who are acquiring their own home (i.e. homebuyer assistance program).

Note: Subrecipients must also adhere to environmental review requirements as they relate to acquisition including the requirements regarding options and conditional contracts.

Refer to Section 3.2.7 in this manual for detailed guidance on the environmental review process for Infrastructure Recovery projects.

Voluntary and Involuntary Real Property Acquisition

Subrecipients must understand the critical difference between voluntary and involuntary acquisition of real property to ensure compliance with all applicable rules. There are protections for sellers in both voluntary and involuntary acquisitions. The key difference between the two types of acquisition is that when a voluntary sale occurs, there can be no threat of eminent domain. Regardless of the form of acquisition used, it is strongly recommended that the subrecipient maintain a log of contacts with the owner in the acquisition file.

Note: The use of federal funds may not be originally anticipated during the conceptual phase or at the beginning of a project. Therefore, subrecipients should proceed with caution if federal resources could be introduced later in the project. Acquisition activities are subject to the URA if there is intent to acquire property for a federal or federally-assisted project at any point during the course of a project.

The URA recognizes three general types of purchases as potentially voluntary. Generally, they are:

- Purchases in which persons are acting on behalf of an agency with the power of eminent domain but the subrecipient or community states in writing that it will not use this power.
 - Example: The subrecipient has identified parcel (s) for a project but will not use its powers to obtain the property through condemnation. In this case, the subrecipient and/or buyer must inform the seller of this fact in writing and, if the offer is not accepted, be prepared to look for another property as the condemnation process will not be used to acquire the identified parcel.
- Purchases where a subrecipient, agency, or person does not have the power of eminent domain.
 - Example: A nonprofit organization without the power of eminent domain is looking for properties suitable for purchase, rehabilitation, and resale. All their negotiations must be conducted in accordance with the rules for voluntary acquisition.
- Purchases of property from government agencies (federal, state, or local) where the subrecipient does not have the power of eminent domain over the other entity.
 - Example: A nonprofit organization without the power of eminent domain selects a vacant lot that is owned by the Corps of Engineers. The nonprofit organization would never be able to purchase the property if the Corps is not agreeable to their offer.

Sometimes there is confusion about what is actually considered “voluntary.” A common misconception is that “willing seller”, or “amicable agreement” means a transaction is “voluntary.” This is not true under URA. The applicable requirement of the regulations at 49 CFR 24.101 (b)(1)-(5) must be satisfied for a transaction to be considered voluntary.

Each type of voluntary acquisition, and the URA requirements pertaining to each, is described as follows:

- The public notice, advertisements and literature should include a description of what the subrecipients intends to purchase, its reasons, and any conditions of which a seller should be aware.
- The voluntary acquisition policy must state that if a mutually satisfactory agreement cannot be reached, the subrecipient will not buy or condemn the property for the same purpose.

- The subrecipient should indicate that owner-occupants are not eligible for relocation benefits in the public notice and the acknowledgement form should be attached to the purchase offer.

While owner-occupants of a property acquired through voluntary acquisition are not eligible for relocation benefits, all tenants in legal occupancy (including non-residential occupants are protected by the URA and are eligible for relocation benefits under the URA.

Voluntary Acquisition by a Subrecipient or Persons Action on behalf of a Subrecipient with the Power of Eminent Domain

To be considered a voluntary acquisition by a subrecipient with the power of eminent domain, the property may not be part of a planned or designated project area where substantially all the property in the area will be purchased within a specified time frame.

The search for alternative sites for the project or activity may be limited to one geographic area, but if none of the owners are willing to sell voluntarily, the subrecipient must be prepared to look in another area for a suitable site. Where a subrecipient wishes to purchase more than one site within a general geographic area on this basis, all owners are to be treated in an equivalent or like manner.

If a subrecipient determines that a specific site is necessary for a program or activity it is planning to undertake, then the sale cannot be considered voluntary. It is assumed that, if negotiations fail, the subrecipient could ultimately acquire the property through condemnation. Thus, the acquisition is not considered voluntary.

Note: Temporary or permanent easements are only very rarely not part of a planned project; therefore, easements are discussed at the beginning of this Section and under Involuntary Acquisitions at the end of this Section.

If someone else, such as a private developer or realtor, is authorized to act on the subrecipient's behalf in negotiating the purchase, and the subrecipient is prepared to intervene and use condemnation if the negotiations are unsuccessful, the acquisition is not considered voluntary.

In order to be voluntary, the subrecipient must meet all the requirements listed below and inform the property owner in writing that:

- Federal funds are involved in the transaction; however, the subrecipient will not use its power of eminent domain if negotiations fail to result in an amicable agreement; and
- The subrecipient estimate of the market value for the property to be acquired as outlined below.

To estimate market value in a voluntary acquisition, subrecipients must follow specific procedures:

- A formal appraisal is not required by the URA in voluntary acquisitions. However, the purchase may involve a private lender requiring an appraisal.
- While an appraisal for voluntary transactions is not required, subrecipients may still decide that an appraisal is necessary to support their determination of market value, subrecipients must have some reasonable basis for their determination of market value.
- If an appraisal is not obtained, someone with knowledge of the local real estate market must make this determination and document the file.

After a subrecipient has established a market value for the property and has notified the owner of this amount in writing, a subrecipient may negotiate freely with the owner in order to reach agreement. Since these transactions are voluntary, negotiations may result in agreement for the amount of the original estimate, an amount exceeding it, or for a lesser amount.

Although not required by the regulations, it could be appropriate for subrecipients to apply the URA administrative settlement concept and procedures in the URA regulations to negotiate amounts that exceed the original estimate of market value (if they can demonstrate that the offer was reasonable and necessary to accomplish the project). If subrecipients anticipate they will offer an amount greater than market value, they must submit a request in writing and provide supporting documentation to NCORR for a basis to pay an amount that is more than market value. NCORR must provide approval prior to payment.

Subrecipients cannot take any coercive action in order to reach agreement on the price to be paid for the property.

Voluntary Acquisition by Organizations without the Power of Eminent Domain (Including Nonprofits and Individuals)
Nonprofit organizations and individual buyers generally do not have the power of eminent domain. Under such circumstances, the requirements for URA are limited. In these types of purchases, the buyer, who could be a private citizen, a developer, or an organization, must inform the seller of three things in writing:

- The buyer does not have the power of eminent domain,
- Federal funds are involved in the acquisition of their real estate, and the owner will not be eligible for relocation benefits, and
- An estimate of the fair market value of the property.

After the buyer/subrecipient has determined the property's market value and has notified the owner of this amount in writing, the buyer/subrecipient may negotiate freely with the owner in order to establish the purchase price.

If the seller refuses to accept the offer, the buyer/subrecipient must look for another property to purchase.

In voluntary transactions, the seller must be notified of the preceding information using "Disclosures to Seller with Voluntary Arm's Length Purchase Offer". If, for any reasons, the seller is not informed of these facts prior to the closing, the seller should be immediately informed and allowed to withdraw from the purchase agreement without penalty.

Voluntary Acquisition of Government Property

Acquisition is considered voluntary when the property is owned by a government agency and the buyer does not have the power of eminent domain. Subrecipients and individual buyers do not possess the legal authority to condemn government-owned property.

Property Donations

Voluntary acquisition includes donations of real property; however, the owner must be fully informed of his or her rights under the URA, including the right to receive a payment for the property and his or her rights in potential eminent domain actions. In addition, the owner must acknowledge his or her URA rights and release the subrecipient, in the form of a donation or waiver certificate, from its obligation to appraise the property. The subrecipient must retain this acknowledgement in the project file.

Involuntary Acquisitions

No CDBG-DR funds may be used to support subrecipient for projects that seek to use the power of eminent domain unless eminent domain is employed for a public use. Any subrecipient considering the involuntary acquisition of property must notify NCORR during the application process and/or prior to contacting property owners for review and approval.

NCORR provides recipients with templates for: Involuntary Preliminary Acquisition Notice, Invitation to Accompany an Appraiser, Written Offer to Purchase, Statement of Basis of Just Compensation, Notice of Intent Not to Acquire, Donation and Appraisal Waiver, and Administrative Settlement.

NCORR rules, Notices of Funding Availability (NOFAs), applicant certifications and/or written agreements for funds subject to the Uniform Act shall refer to federal and State rules, as appropriate.

Recipients with eminent domain authority may only utilize this authority to acquire property using NCORR funding after discussion with and approval from NCORR.

2.9.12 Financial Management

NCORR has in place proficient financial controls. NCORR as the grantee, as well as those administering CDBG-DR resources, continuously demonstrates conformity with financial management requirements as shown in 2 CFR 200 and applicable Federal Registers. These requirements include, but are not limited to, areas covering: Financial Management; Advances; Internal Controls; Accuracy of Report Information; Program Income; Salaries and Wages; Indirect Costs; Lump Sum Drawdowns; and Single Audit provisions pursuant to 2 CFR 200 Subpart F (formerly OMB Circular A-133). NCORR's financial management system ensures that NCORR funds are managed with high levels of accountability and transparency.

The Compliance Department ensures that NCORR's Financial Management practices adhere to the following:

- Internal controls are in place and adequate;
- Documentation is available to support accounting record entries;
- Financial reports and statements are complete, current and reviewed periodically; and
- Audits are conducted in a timely manner and in accordance with applicable standards.

2.9.13 Procurement Policy

To remain eligible for CDBG-DR funding, recipients of CDBG-DR funds must comply with the requirements of 2 CFR 200 Subpart D regarding procurement of equipment, materials, property, or services.

Subrecipients must also comply with State and local procurement standards.

Moreover, procurement under the CDBG-DR program must comply with the most restrictive Federal, State, or local requirements. Therefore, to assist subrecipients in better understanding and complying with these requirements the following links regarding current procurement policy are being made available:

<https://www.sog.unc.edu/resources/microsites/local-government-purchasing-and-contracting/federal-procurement-requirements>

[Increase in Uniform Guidance Bid Thresholds](#)

[Buying Right CDBG-DR and Procurement: A Guide to Recovery](#)

Prior to issuing any Requests for Proposals, Requests for Qualifications, or soliciting contracts for services related to a CDBG-DR eligible project, it is recommended that subrecipients become familiar with this information, especially the March 20, 2018 Memorandum from the NC Department of State Treasurer and the UNC School of Government's paper regarding the most restrictive procurement requirements. The Compliance Department will perform procurement reviews on subrecipients sampled for monitoring and the Internal Audit Department performs reviews to ensure that NCORR also adheres to these established policies.

2.9.14 Insurance and Property Management

For all projects in the Infrastructure Recovery Program, all subrecipients must procure and maintain insurance for the duration of the recipient agreement to protect all contract assets from loss due to any cause, such as theft, fraud and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the recipient is responsible for ensuring that:

- The property continues to be used for its intended (and approved) purpose; and
- The recipient keeps track of, and takes care of, the property.

Applicants must follow and comply with HUD requirements. At a minimum, recipients must comply with the bonding requirements at 2 CFR 200.325, as applicable, and with the requirements of their subrecipient agreement.

For activities involving improvements within designated 100-yr. floodplains, subrecipients will be required purchase flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any structures within a Special Flood Hazard Area (SFHA), and for any personal property contained therein, prior to disbursement of such assistance.

2.9.14.1 Insurance Waiver

NCORR subrecipient agreements require that subrecipients incorporate all necessary terms and conditions in any contract entered into under the subrecipient agreement. The terms and conditions require that any contractor providing services to a NCORR subrecipient must obtain and maintain certain types and amounts of insurance coverage. The terms and conditions also provide that NCORR may waive, decrease, alter or amend these insurance requirements in writing. It is typically the responsibility of NCORR's Chief Financial Officer to approve a waiver or alteration of insurance requirements.

2.9.15 Recordkeeping, Retention and File Management

In accordance with HUD regulations, NCORR as the grantee of CDBG-DR funds follow the records retention requirements cited in 2 CFR 200, which includes financial records, supporting documents, statistical records and all other pertinent records. NCORR subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for three (3) years from the time of closeout of HUD's grant to the State or for the period provided in the CDBG regulations at 2 CFR 200.333. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the retention period, then all such records must be retained until completion of the actions and resolution of all issues, or the retention period, whichever occurs later.

Every subrecipient and contractor is required to establish and maintain at least three major categories of records: Administrative, Financial, and Project/Case Files.

Administrative Records: These are files and records that apply to the overall administration of the recipient's CDBG-DR activities. They include the following:

- Personnel files;
- Property management files;
- General program files: Files relating to the subrecipient's, or contractor's project information form to the grantee, the subrecipient agreement, program policies and guidelines, correspondence with grantee and reports, etc.; and
- Legal files: Articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.

Financial Records: These include the chart of accounts, a Manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.

Project/Case Files: These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

2.9.15.1 Reporting

As a recipient of CDBG-DR funds, NCORR has established reporting requirements for all recipients and contractors in their respective recipient and contractor agreements and contracts in accordance with 2 CFR 200. The program reviews reporting requirements for stand-alone infrastructure projects at five different intervals, as applicable:

- At execution of agreements;
- Monthly;
- Quarterly;
- Annually; and
- As required.

Recipients and contractors submit the required documents and reports to the State at the times indicated in the recipient and grant and/or contract agreement, and in the format prescribed by the Infrastructure Program staff. Deviations from this requirement must be pre-approved by program staff.

Infrastructure Recovery program will review reports for projects that are ongoing according to HUD reporting requirements. At the discretion of the Manager of the Infrastructure Recovery program, large projects may instead follow the reporting requirements for stand-alone projects as described above.

2.9.15.2 Record Retention

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and Federal, State, and local regulations and to facilitate a review or audit by HUD. Records are maintained in accordance with Section 2.9.15. The NCORR Records Management Program seeks to ensure that:

- NCORR complies with all requirements concerning records and records management practices under Federal and State regulations;

- NCORR has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements and community expectations;
- These records are managed efficiently and can be easily accessed and used for as long as they are required; and
- These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner.

2.9.15.3 Access to Records

24 CFR 570.490 Recordkeeping requirements:

“(c) Access to records.

- (1) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.*
- (2) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.”*

The availability of records is subject to the exemptions to public disclosure set forth in North Carolina Public Records Law. All Freedom of Information Act (FOIA) requests must be made in writing to NCORR and will be processed in accordance with these procedures.

2.9.16 Audit Trail

All records defined by the organization as important are captured in the State’s System of Record (Salesforce) so they can be appropriately managed. Salesforce contains both grantee and project level files, providing immediate tracking and imaging of program documentation, including but not limited to, project selection, development and implementation activities, recipient agreements and other agreements, financial management and citizen participation data, ensuring data security and oversight creating a clear audit trail of the programs. Salesforce also serves as the system of record for all M/WBE, Section 3 and Labor compliance (Davis-Bacon) report submissions from NCORR recipients and direct contractors.

All applicant data is secured in the State’s System of Record for a specified period of time in accordance with the current Record Retention and Disposition Schedule.

Recordkeeping, including scanning, uploading to NCORR’s management information system, and filing of pertinent program documentation retention policies, provides an electronic record of activities so that documentation is accessible for audit purposes. Auditors and other parties can request, as needed physical, paper copies.

To protect non-public personal information, data security measures are in place. This includes hardware and software data security protocols and contractors having signed non-disclosure agreements. NCORR

also requires that hard copy files containing non-public personal information are kept in locked file cabinets to ensure their physical security and passes this requirement onto recipients as well.

2.9.16.1 Audit Requirements

In accordance with Subpart F of 2 CFR 200, non-Federal entities⁵ that expend \$750,000 or more during their fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. The Compliance Department is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to NCORR-provided Federal funds.

2.9.17 Conflicts of Interest and Confidentiality

Conflicts of interest between covered persons (e.g., applicants, recipients, program administrator, contractors, program staff) and other parties are strictly prohibited by Federal law.

A “covered person” is an employee, agent, consultant, officer, or elected official or appointed official of the State, or of a unit of general local government, or any designated public agencies, or recipients that are receiving CDBG-DR funds. Generally, no person who is a covered person, and who exercises or has exercised any functions or responsibilities with respect to CDBG-DR activities and who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The conflict of interest regulations contained in the contract between the recipient and the State prohibit locally elected officials, State staff, recipient employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision- making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with who they have family or business ties, during their tenure or for one year thereafter.

2.9.17.1 Conflicts of Interest

The program requires all program staff to disclose any relationship with an applicant or contractor. Infrastructure Recovery Program staff, recipients, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude in order to financially or otherwise benefit themselves, the applicant, or the contractor. For example, a Customer representative may not perform work on the project information form of family. For purposes of this regulation, “family” is defined at 24 CFR 570.489(h).

NCORR may consider granting an exception to the conflict of interest provisions per 24 CFR 570.489(h)(4) if NCORR has determined that the recipient has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974, as amended and the recipient has complied with the requirements listed in 24 CFR 570.489(h)(4)(i) and (ii). NCORR considers whether the exception

⁵ Non-Federal entity means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

provides a significant cost benefit or essential degree of expertise; whether the opportunity was provided for under open competitive bidding or negotiation; whether the person affected is LMI, whether the affected person has withdrawn from his or her functions or responsibilities; whether the interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or whether undue hardship results from failure grant the exception. In addition, NCORR will take into account conflict of interest prohibitions under state law, including the prohibition against self-benefiting under a public contract (G.S. 14-243) and misuse of nonpublic information for private financial gain (G.S. 14-234.1).

2.9.17.2 Confidentiality/Privacy

The Infrastructure Recovery Program is committed to protecting the privacy of all of our individual stakeholders, including the public and those individuals working on the program. The program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Infrastructure Recovery Program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974 and North Carolina state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors and mitigate fraud and abuse.
- Independent Auditors, when hired by the program to perform a financial or programmatic audit of the program, for use in determining program compliance with all applicable HUD and Federal regulations, including the Stafford Act, CDBG-DR requirements and State and Local law.
- NCORR may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.
- Organizations assisting the State in executing the CDBG-DR program must comply with all Federal and State Law Enforcement and Auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, and the Office of the Inspector General.

2.10 Resilience Performance Standards

The State has committed to implementing resilience performance standards for Infrastructure Recovery projects as outlined in the State's Action Plan and Amendments.

Section 3: Infrastructure Recovery Program Implementation Policies

As outlined in the overview, this program is designed to meet the recovery needs of communities impacted by Hurricane Matthew. This program is designed to address the recovery needs that are not met through other Federal disaster and State funded recovery programs and to complement the statewide county planning process that the State initiated following Matthew. The program provides assistance to address gaps that units of government have that are not being met through these recovery programs or to advance projects from the planning process. All projects funded under the program must meet the requirements outlined in Section 2 of this Manual.

3.1 INFRASTRUCTURE RECOVERY PROGRAM

NCORR will provide funds from the program to counties and municipalities that address unmet recovery needs on a rolling basis, with an initial allocation provided to counties for the first two years of the program. The remaining funds in the program will be allocated at a later date. Each funded entity will be responsible for identifying and prioritizing eligible projects and bringing them to NCORR for consideration, following processes detailed in this Manual. NCORR along with its project coordinators (defined in Section 3.2.1), will work with local governments to assist these entities with the continued repair and mitigation of public facilities and services. NCORR is aware that many local and municipal governments, school districts and Public Housing Authorities in HUD's most impacted counties, continue to find unmet recovery needs relating to Hurricane Matthew and that the emerging costs of recovery can put a strain on their capacity to provide essential services to residents in these counties. NCORR reserves the right to allocate additional recovery funds to these entities through this program as these unmet recovery needs are identified.

The program will pay particular attention to the unmet needs that are tied to the projects that are not covered by the FEMA PA program or funded with state disaster assistance funds. When FEMA has determined that a recovery need is either not eligible or only partially eligible for the PA program, but there is a direct and clear tie to community recovery and an impact to Matthew, NCORR may engage with units of local government, public housing authorities, or school districts to identify possible solutions to close the gaps in recovery process, using funds from this program. The county planning process identified a wide range of projects that can be implemented under the Infrastructure Recovery Program, while the FEMA PA program similarly covers a very wide range of recovery projects that may require CDBG-DR funding. Some examples of potential projects include but are not limited to water and wastewater facility projects, storm water facilities, park and recreation related projects, school repairs and resiliency upgrades, repairing and making more resilient downtown areas, repairs and resiliency measures to public housing stock, roadway and public infrastructure repairs that increase resiliency and project power generation and distribution systems.

Hurricane Matthew had a tremendous negative impact on the State's water and wastewater treatment facilities. Repairing the damage caused by Hurricane Matthew to these critical facilities is essential to the region's recovery and the State is working through the FEMA PA program to maximize recovery and resiliency options for these critical infrastructure assets. This includes ensuring that the match to repair these facilities is met. As the region's final recovery needs are determined the rebuilding, repair and resilience of these treatment facilities will be a priority for the State. As necessary, the State reserves the right to develop projects or direct subrecipients to consider projects that will address the unmet recovery and resiliency needs systems that benefit entire communities and or regions.

North Carolina has for decades been a leader in identifying and using natural means to protect communities at risk from natural events. This commitment continues and using CDBG-DR funds to restore and address damages that Matthew had on the State's natural resources is a priority. When it is financially feasible, the state will promote and work with recipients to use natural means to make communities more resilient. As a result, project funding within this program can be used to restore natural resource systems and to use green infrastructure technology to meet recommendations made by HUD that -subrecipients incorporate natural resiliency measures into infrastructure projects. Examples of projects that may be developed include but are not limited to restoring, developing, and/or enhancing natural barrier dune systems; creating wetland habitats to act as storm surge barriers; enhancing and replacing near shore and

riverine vegetation and forest canopies that were lost or impacted by Hurricane Matthew; creating living shorelines and riverbanks; and restoring man-made or natural beach or riverine environments.

3.1.1 Eligible Counties

Projects must be located in a county eligible to receive Federal funds from Hurricane Matthew (DR-4285) and be located in a HUD-designated county eligible to receive funds from P.L. 114- 254 or P.L. 115-31. Eligible Counties are listed below (reference State of North Carolina CDBG- DR Action Plan, April 21, 2017).

Table 2: Eligible Counties

Eligible Counties				
Anson County	Craven County	Harnett County	Moore County	Richmond County
Beaufort County	Cumberland County	Hertford County	Nash County	Robeson County
Bertie County	Currituck County	Hoke County	New Hanover County	Sampson County
Bladen County	Dare County	Hyde County	Northampton County	Scotland County
Brunswick County	Duplin County	Johnston County	Onslow County	Tyrrell County
Camden County	Edgecombe	Jones County	Pamlico County	Wake County
Carteret County	Franklin County	Lee County	Pasquotank County	Warren County
Chatham County	Gates County	Lenoir County	Pender County	Washington County
Chowan County	Greene County	Martin County	Perquimans County	Wayne County
Columbus County	Halifax County	Montgomery County	Pitt County	Wilson County

3.1.2 Eligible Recipients

Subrecipients must be located in an eligible county as shown in Section 3.1.1. Subrecipients must also be classified as either a unit of local, county or state government, or be an agency or division within one of these units of government, be a Public Housing Authority in an eligible county, a school district, or charter school in one of these counties or be a not-for-profit entity that has a physical address in a storm impacted county.

3.1.3 Allocation Methodology and Award Amounts

For a detailed discussion of the initial allocation methodology employed, please refer to the State of North Carolina CDBG-DR Action Plan Non-Substantial Amendment 2. To support eligible Infrastructure Recovery activities the program initially awarded \$16,322,081 of funds to both MID and non-MID (formerly Tier I and Tier II) impacted Counties in 2017 as follows:

Table 3: Initial County-wide Awards

Initial County-wide Awards	
Bladen	\$45,000
Cumberland	\$3,800,000
Duplin	\$130,000
Edgecombe	\$2,280,000
Greene	\$75,000
Hyde	\$475,000
Nash	\$150,000
Robeson	\$4,868,750
Wayne	\$4,498,331
Total Program Funds Awarded	\$16,322,081
Program Funds Not Awarded	\$3,561,158
Total Program Funds	\$19,883,239

Since the initial county-wide awards NCORR has entered into Subrecipient agreements (SRA) with six Counties and three local municipalities to support infrastructure projects. Additionally, Matthew Substantial Action Plan Amendment No. 7 describes that some local jurisdictions have not submitted timely and sufficient information to support the projects proposed. For this reason, NCORR adjusted the infrastructure budget/allocation in SAPA 7 to \$11,794,928 and will continue to reassess that budget as the grant moves ahead.

3.1.4 Project Selection

Eligible subrecipients were notified of their eligibility for the CDBG-DR program and more specifically, activities under the Infrastructure Recovery Program via a communication that informed them they could propose projects to address disaster recovery. After notification eligible subrecipients provided a list of potential project activities in their County- wide application that represented an unmet need in the county from the impacts of Hurricane Matthew.

NCORR, Infrastructure staff and project coordinators, as necessary, then work with subrecipients to further identify CDBG-DR eligible projects. Once a final project or projects are selected between NCORR and the subrecipient, NCORR will work with the applicant to execute a subrecipient agreement and begin the project information form process outlined in Sections 3.2.4 and 4.2 of this manual. In order to advance

through the review process the potential projects must have a tie to the storm, represent an eligible CDBG DR activity, and meet one of the three HUD-defined National Objectives, while not representing any type of Duplication of Benefits.

3.2 INFRASTRUCTURE RECOVERY PROGRAM IMPLEMENTATION POLICIES

3.2.1 Project Coordinator Selection

To assist NCORR's staff and provide program subrecipients with TA to remain compliant with HUD CDBG-DR regulations, including assisting with project information form development as necessary, NCORR plans to publicly procure and retain vendors to support the program staff, which will be known as project coordinators. The firm will be chosen through a Request for Qualification's (RFQ). The RFQ is expected to have at least the following criteria;

- Experience and Capacity
- Cost and Quality Control Management
- Ability to Manage Multiple Scopes of Work
- Knowledge of CDBG-DR programs

Copies of all contracts awarded by NCORR can be found on the agency's website at www.rebuild.nc.gov.

3.2.2 Subrecipient Selection and Capacity

For the Infrastructure Recovery Program, NCORR enters into subrecipient agreements (SRA's) with local governments and private non-profits, or Memorandum of Understandings (MOUs) with State agencies, to implement the projects. NCORR assesses and selects a suitable subrecipient for each project by direct, discretionary selection. Because many of the projects in the program will be designed to further the recovery of the local governments and or repair infrastructure impacted by Hurricane Matthew and/or identified in the county planning process, NCORR will engage with entities who have relevant jurisdictional oversight over the project and project area.

NCORR reviews and receives subrecipients' Single Audits (pursuant to 2 CFR 200 Subpart F) and audits from the NC Department of State Treasurer. Infrastructure Recovery Program staff in coordination with the Compliance Department will ensure single audits are part of the capacity check and that they will continue to collect subsequent audit reports, reviewing them on an annual basis (for more on the Compliance Department's audit review role see Section 2.9.16.1). All program recipients and projects are provided with a project coordinator, which is an Infrastructure Recovery Program staff member or consultant and are required to take part in ongoing TA without regard to risk or project size. NCORR's TA is intended to not only build a subrecipient's capacity and/or to transfer knowledge, but also to ensure compliance with CDBG-DR requirements for the life of the project.

3.2.2.1 Subrecipient Criteria

Subrecipients should demonstrate the following qualities:

- Prior experience with executing CDBG, CDBG-DR or other federal funded projects including but not limited to knowledge and prior experience with the following:
 - 2 CFR Part 200 requirements;
 - Documentation that the project meets a CDBG National Objective; and
 - Documentation that the project's expenditures are for CDBG Eligible Activities.

- Staff capacity to effectively manage CDBG-DR grants, including but not limited to:
 - Capacity to perform financial management and oversight;
 - Capacity to perform grant management functions as demonstrated through prior experience with managing grants with in-house staff or with a grants management consultant;
 - Internal auditing capability;
 - Administrative staffing; and
 - Knowledge of both Federal and State procurement and contracting requirements.
- Knowledge and experience in financial management of Federal grant funds, specifically of CDBG funds; and the ability of financial systems to meet all State and Federal requirements including but not limited to:
 - Accounting methods, and budget controls;
 - Proof that expenditures are necessary, reasonable and directly related to the grant;
 - Monitoring and controls of timely expenditure of Federal funds;
 - Compliance with 2 CFR Part 200 (effective for awards made after December 26, 2014, formerly OMB Circular A-87 (government agencies) or A-122 (for non- profits), A-121 (for higher learning institutions));
 - Completion and results of prior audits under 2 CFR Part 200, Subpart F (formerly under A-133; effective for awards made after December 26, 2014), if applicable; and
 - Completion and results of any other audits as it relates to financial capacity.
- In good standing with the State of North Carolina (for entities other than public entities).
- Experience, knowledge, and compliance with all Federal regulations outside of direct CDBG requirements, as it applies to the grant including, but not limited to, the following requirements:
 - Davis-Bacon and all labor standards, Section 3, M/WBE, environmental, lead based paint, Civil Rights, Section 504, Uniform Relocation Act, Fair Housing Act, ADA, Age Discrimination Act, and records management.

3.2.2.2 Direct Selection

The program can directly select subrecipients. NCORR's ability to directly select a qualified subrecipient is allowed under HUD Section 24 CFR § 570.500(c).

NCORR may directly select a subrecipient in any of the following situations:

- When an entity is uniquely qualified to implement a project because either the entity has sole jurisdiction over the project or complete control/ownership over a project site;
- When the jurisdiction is the applicant to another federal recovery program, and NCORR is paying the Non-Federal Share Match for the project being implemented;
- When there is a reasonable basis to conclude that the direct selection of the subrecipient will result in increased efficiencies for the State and more quickly result in the project being implemented thereby more quickly addressing the unmet need; and
- When there is reasonable evidence to conclude that the minimum needs of the program project can only be satisfied by the selected subrecipient.

3.2.3 Contractual Agreement

NCORR will work with the recipient to execute a SRA or, in the case of eligible State agencies, a MOU. The SRA or MOU serves as the mechanism for transfer of funds to the subrecipient, and submission of required documents to establish proof of compliance with all Federal, State and local laws as applicable.

For projects receiving CDBG-DR funding for multiple project phases (i.e. planning, design, and construction), individual amendments to grant agreements may be utilized for each phase. If a phased approach is selected by NCORR, each amendment will include the scope, budget, time, and performance metrics of the applicable phase. Should scope and budget change significantly during construction, change orders will be considered on a case-by-case basis. At a minimum, all change orders must be fully compliant with Federal and State law.

3.2.4 Project Information Forms (Abbreviated and Full)

Project information forms, either abbreviated or full versions, can be drafted by subrecipients or NCORR program staff or with a vendor that NCORR or the subrecipient procured to provide project delivery support. All project information forms must be reviewed by NCORR Infrastructure staff. The purpose of the project information forms, and their review process is to document:

- How the project meets one of HUD's three National Objectives
- How the project is an eligible activity
- How the project is tied to Hurricane Matthew.

The abbreviated project information form is submitted first and consists of:

- A project description
- Tie to the disaster
- Assigned National Objective
- Project eligibility review under 24 CFR § 570.483
- Preliminary project cost estimate
- Statement of justification and recommendation
- Other relevant information

The full project information form is an expanded version of the abbreviated form and contains additional detail sufficient for determining whether a project remains eligible for CDBG-DR funding and should be approved to advance through the review process. The scope of any environmental review requirements can also be better assessed with the full form. Sample abbreviated and full project information forms are attached to this document as Exhibits 1 and 2.

3.2.4.1 Project Information Forms Review Panel

Each proposed project's project information form is reviewed by a NCORR review panel, composed of a minimum of three rotating members from NCORR's staff. The panel votes on whether the project meets at least one National Objective, is an eligible activity, and has a tie to the storm. Projects receiving a majority of the voting members' votes are approved to move to the next step in the approval/funding process. Projects that do not receive a majority of the votes are not eligible for CDBG-DR funding.

A copy of the project information form along with a signed panel voting forms are placed in the project file.

3.2.5 Project Information Form Approval

Infrastructure Recovery program staff will notify subrecipients in writing of the results of the project information form and panel review. A copy of this communication is placed in the project file.

3.2.6 Duplication of Benefits and Order of Assistance

Infrastructure Recovery Program staff and/or project coordinators review proposed projects and compare them against all Federal disaster recovery data warehouses to determine if funds are available through other sources or if the subrecipient has applied for additional funds. In addition, NCORR may request materials from subrecipients that demonstrate that the correct Order of Assistance was followed. If necessary, NCORR includes a form in the project file to document compliance with Order of Assistance requirements. In the event that a duplication of benefit occurs, subrecipients may need to return and/or reallocate funds to remain in compliance with Federal and State requirements.

Per the subrogation clause in the subrecipient agreement, subrecipients must return to North Carolina any funds found to be a Duplication of Benefits, ineligible, unallowable, unreasonable, or non-compensable, no matter the cause. Under this clause, should a subrecipient receive CDBG- DR funding to support an activity and subsequently receive additional funding that would render the CDBG-DR funds a Duplication of Benefits, the duplicative CDBG-DR funds must be returned to NCORR. Following the Duplication of Benefits review, projects undergo iterative funding and scope reviews to check for Duplication of Benefits:

- **Project information form:** The subrecipient initially completes a project information form and Form HUD 2880 to confirm and certify other sources and uses of funds or that there are no other funds available for the proposed project.
- **Pre-Bid:** NCORR conducts a Duplication of Benefits check to verify that additional funds have not become available.
- **Project completion:** A final Duplication of Benefits review will be conducted to verify that NCORR is only funding the subrecipient's unmet need.

The results of all Duplication of Benefits checks will be available in the project file.

3.2.7 Environmental Review

NCORR Infrastructure Recovery Program and its subrecipients will follow all required environmental review policies and procedures, which can be found at 24 CFR Part 58.

According to 24 CFR Part 58.30(b), the "... environmental review process should begin as soon as a recipient determines the projected use of HUD assistance." Additionally, 24 CFR Part 58.22 limits activities, including commitment of HUD funds or non-HUD funds, prior to the completion of a project's environmental review up until the Responsible Entity (RE) receives approval from HUD of a Request for Release of Funds (RROF). This means that the grantee or subrecipient may not spend either public or private funds (CDBG, other federal or non-federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. In other words, grantees and/or subrecipients must avoid any and all choice limiting actions before a final decision is made – that decision being based upon an understanding of the environmental consequences and actions that can protect, restore and enhance the human environment (i.e., the natural, physical, social, and economic environment).

Moreover, until NCORR has completed the environmental review process and received approval of a RROF, these same restrictions apply to project participants (e.g., subrecipients, developers, consultants, real estate agents, etc.) as well. It is the responsibility of all subrecipients to ensure project participants are apprised of these restrictions.

For the purposes of the environmental review process, “commitment of funds” includes:

- Execution of a legally binding agreement (such as a property purchase or construction contract);
- Use of any non-CDBG funds on actions that may have an adverse impact (e.g., demolition, dredging, filling, excavating); and
- Use of funds on actions that would be “choice limiting” (e.g., acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures, conversion of land or buildings/structures).

It is acceptable for subrecipients to execute non-legally binding agreements prior to completion of the environmental review process and receiving NCORR approval. A non-legally binding agreement contains stipulations that ensure the project participant does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed.

It is also acceptable to execute an option agreement for the acquisition of property when the following requirements are met:

- The option agreement is subject to a determination by the NCORR on the desirability of the property for the project as a result of the completion of the environmental review in accordance with Part 58; and
- The cost of the option is a nominal portion of the purchase price.

Supplemental to HUD’s Environmental Review Procedures under 24 CFR Part 58 guidance dated August 26, 2011 (see Exhibit 5) provides information regarding when it is appropriate to use conditional and option contracts for the purchase of real property. In the guidance the use of conditional contracts in acquisitions of existing single family and multifamily properties that involve the use of CDBG funds was clarified. A conditional contract for the purchase of property is a legal agreement between the potential buyer of a real estate property and the owner of the property. The conditional contract includes conditions that must be met for the obligation to purchase to become binding. Conditional contracts can be used in more limited circumstances than option contracts. As already mentioned, conditional contracts are allowed only for residential property acquisition, including multi-family residential.

For activities involving improvements within designated 100-yr. floodplains, subrecipients will be required purchase flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any structures within a Special Flood Hazard Area (SFHA), and for any personal property contained therein, prior to disbursement of such assistance.

For multi-family properties: The structure may not be located in a Special Flood Hazard Area (100-year floodplain or certain activities in the 500-year floodplain):

- The purchase contract must include the appropriate language for a conditional contract (see below);
- No transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until the Responsible Entity determines, on the basis of the environmental review, that the transfer to the buyer should go forward and the subrecipient or RE has received approval of a RROF and environmental clearance; and
- The deposit must be refundable or, if a deposit is non-refundable, it must be a nominal amount of three percent of the purchase price or less.

All conditional contracts entered into by a subrecipient or participating party for residential properties must include the following language, if the above conditions are met:

Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the property and no transfer of title to the Purchaser may occur, unless and until [the RE name] has provided purchaser and/or seller with a written notification that:

1) it has completed a federally-required environmental review and its request for release of funds has been approved and, subject to any other contingencies in this contract, (a) the purchase may proceed or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or 2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. [RE name] shall use its best efforts to conclude the environmental review of the property expeditiously.

If a subrecipient is considering using either optional or conditional contract clauses it is strongly recommended that they discuss their plans with NCORR prior to executing an agreement.

3.2.8 Technical Assistance to Recipients

To assist applicants and subrecipients in complying with all CDBG-DR regulations and any NCORR policies, as well as to build capacity, NCORR Infrastructure Recovery Program staff and/or project coordinators will provide subrecipients with necessary TA throughout the life cycle of the project.

NCORR's TA is comprised of formal trainings (prepared materials, in-person presentations and webinars) and informal trainings (verbal or written advice, provided as needed, through in-person meetings, emails or telephone calls). The nature and rigor of TA is continuously tailored to meet the subrecipient's unique needs.

3.2.9 Project Delivery Costs

In general, only subrecipient administrative and project delivery costs incurred after the acceptance of a project information form by NCORR and execution of an amendment to the subrecipient agreement are eligible for reimbursement. The program will coordinate and communicate with the subrecipient on whether project delivery and administrative costs are to be provided to supplement the grant or if these costs are included in the project amount. To determine whether project delivery or administrative funds have been provided, please refer to the subrecipient agreement and project-specific award for more details.

Costs must not be duplicative of services provided by NCORR through its staff or consultants. All proposed subrecipient administrative and project delivery costs must be determined to be allowable, allocable, and reasonable during the project information form review process.

3.2.10 Subrecipient Procurement

The procurement requirements found at 2 CFR Part 200, Subpart D, establish CDBG-DR standards and guidelines for the procurement of services, supplies, equipment, construction, and professional services for local governments and non-profit organizations. To remain eligible for CDBG-DR funding, recipients of CDBG-DR funds must comply with those requirements.

Recipients must also comply with State and local procurement standards. Moreover, procurement under the CDBG-DR program must comply with the most restrictive Federal, State, or local requirements.

Therefore, to assist subrecipients in better understanding and complying with these requirements the following links regarding current procurement policy are being made available:

<https://www.sog.unc.edu/resources/microsites/local-government-purchasing-and-contracting/federal-procurement-requirements>

Increase in Uniform Guidance Bid Thresholds

Buying Right CDBG-DR and Procurement: A Guide to Recovery

Prior to issuing any Requests for Proposals, Requests for Qualifications, or soliciting contracts for services related to a CDBG-DR eligible project it is recommended that subrecipients become familiar with this information, especially the March 20, 2018 Memorandum from the NC Department of State Treasurer and the UNC School of Government's paper regarding the most restrictive procurement requirements. The Compliance Department will perform procurement reviews on recipients sampled for monitoring and the Internal Audit Department performs reviews to ensure that NCORR also adheres to these established policies.

To help ensure that subrecipients' procurement will follow regulations, NCORR provides subrecipients with onsite, electronic, and/or group TA via its state staff or project coordinators, to help develop procurement documents that comply with federal and state regulations. NCORR will also provide procurement TA consisting of:

- Review of 2 CFR Part 200 procurement requirements;
- Review of existing recipient procurement policies and procedures for compliance with 2 CFR Part 200; and
- Review of subrecipient procurement documents, with TA as necessary.

If a real or perceived potential conflict of interest as defined under Federal or State law is identified, recipients must contact NCORR for further guidance.

3.2.10.1 Professional Services (A/E)

NCORR or the subrecipient may engage the services of architects or engineers. If the subrecipient engages the architect or engineer directly, the subrecipient must comply with CDBG-DR procurement guidelines as discussed in Section 3.2.10 above. The scope of the RFQ may also include future services for design, surveying, and construction oversight. The program may allow units of local government to conduct professional services using force account labor with prior approval and with an understanding that additional oversight from NCORR will occur to ensure cost reasonableness in lieu of competitive bidding.

3.2.10.2 Construction Services

NCORR provides substantial TA to subrecipients so that projects remain in compliance with all requirements through the life of the project. This is particularly true for the pre-construction bidding and construction phases of the project. NCORR will notify the recipient to advertise for bids following:

- Environmental clearance of proposed construction activities
- NCORR's receipt of final plans and specifications for the project
- Verification that all lands, rights-of-way and easements have been acquired
- Verification that all required permits have been obtained

- Verification that all other program requirements have been met

After notification to advertise for bids has been issued, the subrecipient may proceed with public advertising for bids in accordance with Federal, State, and local procurement standards (see Sections 2.9.13 and 3.2.10, above for more detailed information). The contract shall be awarded to the lowest-priced responsive, responsible bidder. In some cases, the lowest bid received will exceed the amount of funds allocated for the project. When this happens, the subrecipient must contact NCORR to determine the best option to proceed.

3.2.11 Payment

3.2.11.1 Subrecipient Payment

All subrecipient payments are expended on a reimbursement-based payment process. “Reimbursement-based” means that project costs must be incurred by the subrecipient and documented as required by the terms of the subrecipient agreement for payment of invoices. Subrecipients **MUST** submit reimbursement requests to NCORR through the Salesforce system of record and in accordance with the NCORR Subrecipient Billing Guide. NCORR reviews the requests and after approval informs the State lead agency that it believes that the costs are allowable. The State then provides reimbursement to the subrecipient using State funds. NCORR concurrently submits a draw request to the State lead agency who in turn requests the funds from HUD. After the State lead agency receives funds from HUD, it reimburses the State. Subrecipients may request advances for work based on anticipated cash flow needs and capacity by project in consultation with NCORR. NCORR at its sole discretion and in compliance with HUD regulation can determine if it wishes to advance funds for projects within the program.

3.2.11.2 North Carolina Office of State Budget and Management Repayment

As is noted above, after approval by NCORR, the State will issue payment to the subrecipient using State funds. This will occur while NCORR requests funds from HUD. Once NCORR receives the funds from HUD, NCORR will reimburse the State General fund for costs it has incurred.

3.2.11.3 Final Payment

It is anticipated that some projects will have multiple payments. When the project is nearing completion, NCORR will start initial project close-out processes. This may result in the state having to obtain additional information and forms prior to issuing a final payment as projects with the program are still being developed, the final payment policy for the program is still being developed and will be incorporated with a future version of this manual.

3.2.12 Project Closeout

Project close-out is the process by which NCORR determines all requirements of the subrecipient agreement between NCORR and the subrecipient have been completed in accordance with the terms and conditions of the subrecipient agreement. Project closeout begins when:

- All project expenses to be paid with CDBG-DR funds (except for closeout costs) have been completed and payment requested;
- Approved work has been finished;
- Any other responsibilities detailed in the subrecipient agreement have been fulfilled; and
- All monitoring or audit findings have been cleared.

For projects which use funding from the program and have other disaster recovery dollars (such as FEMA PA or State funds) in the project, NCORR will follow the close-out procedures detailed in Section 4.8 as well as coordinate with the State lead agency so that the closeout of the project is completed in a compliant manner for that program.

Section 4: Infrastructure Recovery Program Implementation Procedures

The table below displays the major actions occurring in each phase of project implementation. Unless otherwise stated, NCORR Infrastructure Recovery program staff, County or Local government staff who have executed subrecipient agreements or project coordinators, consultants take all actions below. The following paragraphs discuss implementation procedures in detail.

Table 4: Phases of Infrastructure Recovery Project Implementation

Phase	Action
Subrecipient Selection and Agreement	<ul style="list-style-type: none"> • Enter into subrecipient agreement. • Amend agreement as necessary based on project details. • Ensure compliance.
Abbreviated Project Information Form (also see Section 4.2)	<ul style="list-style-type: none"> • Development of scope and preliminary budget for project by subrecipient, and in limited cases by NCORR. • Initial NCORR environmental review can begin. • Project Information Form completed. • Project Information Form submitted to Infrastructure and accepted. • Panel review of proposed project and approval to move forward or determined as non-eligible.
Full Project Information Form (also see Section 4.2)	<ul style="list-style-type: none"> • Further development of scope and refined budget for project by subrecipient, and in limited cases by NCORR. If necessary, subrecipient procures A/E and other services necessary to complete form. • Project Information Form completed. • Project Information Form submitted to Infrastructure and accepted. • Panel review of proposed project and approval to move forward or determined as non-eligible. • NCORR environmental review must be completed before project –specific award and next phases.
Project Development Phase	<ul style="list-style-type: none"> • A/E procured if not previously procured. • Plans and specifications are reviewed for conformity with project information form and accepted. • Property, rights of way, permits, etc. acquired by subrecipients. • Environmental review record approved and formal “Release of Funds” for construction letter sent.

Phase	Action
	<ul style="list-style-type: none"> • Subrecipient agreement amended for changes in scope or budget amended (if required). • Authorization to proceed to advertise for bids issued.
Bidding/Pre-Construction Phase	<ul style="list-style-type: none"> • Bidding process conducted in compliance with Federal, State, and local procurement requirements. • Approval of addendums issued during bidding phase (if required). • Respond to labor compliance issues (if required). • Subrecipient agreement amended for changes in scope or budget (if required).
Construction Phase	<ul style="list-style-type: none"> • Set up subrecipient and contractors in system of record. • Subrecipient reporting via system of record. • Change orders reviewed. • Project acceptance verified.
Monitoring Process	<ul style="list-style-type: none"> • Subrecipient continues to utilize system to report on Section 3, Davis-Bacon, M/WBE, and other NCORR requirements. • Onsite employee interviews are conducted as needed. • Desk reviews of selected subrecipients and projects conducted. • Onsite monitoring of selected subrecipients and projects conducted. • Monitoring letters issued. • Subrecipients respond to monitoring concerns and findings. • Clearance of monitoring findings issued.
Closeout Phase	<ul style="list-style-type: none"> • Confirmation that all monitoring findings are closed. • Program completion report completed. • Certificate of completion issued. • Project closed out.

4.1 SUBRECIPIENT SELECTION AND AGREEMENT

Subrecipients provide day-to-day administrative management and oversight of CDBG-DR activities. Subrecipients are responsible for establishing and maintaining financial accountability for CDBG-DR funds, complying with CDBG-DR regulations, and establishing and maintaining project files and records. Subrecipients are chosen by either direct selection, having been part of or located in a county that was involved in the State’s fifty (50) county planning process or were procured through a competitive selection process, as outlined in Section 3. After a subrecipient is selected, NCORR works with the subrecipient staff to execute a subrecipient agreement. The subrecipient agreement serves as the mechanism for transfer of funds to the subrecipient, and documents what is required to remain in compliance with all Federal, State and local laws as applicable. As project information forms for specific projects are developed, submitted, and approved by NCORR, the subrecipient agreement is amended to reflect the scope and budget of each project. Any use of CDBG-DR funds must take into consideration all other funding sources, in order to meet Order of Assistance requirements and supplanting of funds issues and deduct all funds that could be considered Duplication of Benefits, including insurance proceeds, other federal disaster recovery grant

funds and state funds that were appropriated to address the project. As part of the project information form process, each subrecipient submits details of all funds received for a proposed project. The subrogation clause in the subrecipient agreement ensures that Duplication of Benefits does not occur. Per this clause, subrecipients must return to North Carolina any funds found to be a Duplication of Benefits, ineligible, unallowable, unreasonable, or non-compensable, no matter the cause. Under this clause, should a subrecipient receive CDBG-DR funding to support an activity and subsequently receive outside funding that would render the CDBG-DR funds a Duplication of Benefits, or resulting in a supplanting of funds, these CDBG-DR funds must be returned to NCORR.

4.2 PROJECT INFORMATION FORMS

The abbreviated and full project information forms determine whether a proposed project remains eligible for CDBG-DR funding. The project information forms are typically completed by the subrecipient with TA provided by NCORR Infrastructure Recovery Program staff and project coordinators as deemed appropriate. During this phase, Infrastructure Recovery Program staff, project coordinators, and contractors continue due diligence to ensure that the proposed project remains CDBG-DR- eligible and meets CDBG-DR requirements. The project information form process is also used by NCORR Infrastructure Recovery Program staff to determine the types of TA to provide to subrecipients during a project's implementation.

Project information forms provide critical information on a project, including a description of a project, and its:

- CDBG-DR eligibility (including HUD matrix code);
- National Objective;
- Tie to the storm;
- Estimated total costs (including sources and uses of funds) and project timeline;
- Source of funds identified for the project;
- Current status (whether any work has already been completed);
- Project context (whether the project is part of a larger project/plan);
- Beneficiaries/public benefit/target areas;
- Recovery rationale;
- Feasibility;
- Acquisition, if applicable;
- Construction activities, and
- Conceptual site plan
- Subrecipient disclosure/update report

Note: To assist in identifying a project's beneficiaries, there is a tool that provides information on the income demographics for the block groups affected by a project using the 2011-2015 American Community Survey. Race and ethnicity demographics can also be obtained from the most recent federal decennial census.

4.2.1 Review Panels for Project Information Forms (Abbreviated and Full)

An abbreviated Project Information form (APIF) is submitted first. Once approved to advance through the review process a Full Project Information form (PIF) is subsequently submitted. In order to complete a PIF subrecipients may engage an architect, engineer, or consultant directly to provide more refined cost estimates and related planning services (to be eligible for reimbursement for the cost of architectural,

engineering, or consulting services, these contracts must be procured in compliance with Federal, State, and local procurement requirements). At this milestone, in order for costs to remain eligible for CDBG-DR reimbursement, the subrecipient should ensure that the procured services are NOT for project design work. Should services be for project design prior to the issuance of a project-specific award letter (Ref. Section 4.3, below) the costs may be unallowable regardless of compliance with procurement guidelines in the event that the proposed project is determined ineligible.

Each APIF and PIF form is reviewed by a NCORR staffed review panel. The panel:

- Consists of at least three and up to six NCORR employees. To the extent practicable, and based on the project size and type, the following program areas will be represented on the panel: compliance, legal, policy, procurement, finance, and environmental. To the extent practicable, a majority of members of the panel will be voting members. Voting responsibilities rotate meeting to meeting and will be determined prior to the start of each meeting.
- Consists of a presentation about the project, questions from the voting and non-voting members, and a vote on whether the project is eligible for CDBG-DR funding. The panel reviews all aspects of the project, including: scope, budget, eligibility, environmental review, legal/policy issues, procurement, and compliance. Any concerns noted by the panel are also reviewed and discussed prior to voting on the project.
- Reviews the project information forms and must receive a majority of the voting members' votes for the project to be approved to move forward. Projects that do not receive a majority of the votes are not eligible for CDBG-DR funding and a notice of denial is issued.
- May approve project information forms with qualifications, which are noted on the voting sheet(s).
- May deny eligibility due to technicalities with the information on the form. In these cases, the form can be amended and re-submitted to a subsequent review panel.
- In some cases, may request additional clarifications, corrections or revisions prior to making a final determination. If the subrecipient is unwilling or unable to address issues identified in the project information form in a timely manner, a notice of denial is issued.

Infrastructure Recovery Program staff will notify applicants in writing of the results of the panel review and either and voting forms are placed in the project file. A copy of the review panel voting form is attached as Exhibit 3.

4.3 PROJECT INFORMATION FORM APPROVAL AND SUBSEQUENT ACTIVITIES

Once a panel approves a full project information form to advance through the review process the Infrastructure program begins a Duplication of Benefits review; ensures that the environmental review process is complete; and that an appropriate Subrecipient agreement has been executed bi- laterally, if necessary, before developing a project-specific award letter which may include milestones for the submission of project-related information. The subrecipient, or in some cases NCORR, may procure the services of architects or engineers. If these services are procured by the subrecipient, to be eligible for reimbursement, these contracts must be procured in compliance with Federal, State, and local procurement requirements.

Recipient Policies and Procedures

NCORR works with subrecipients to determine whether subrecipient policies and procedures that are required by law or regulation are in place, and to confirm that policies or procedures are in compliance with

all requirements. If necessary, NCORR provides subrecipients with templates and/or TA to assist in adopting or amending any required policies or procedures. Examples include:

- Review of Procurement Policy (to ensure HUD compliant language exists);
- Review of Pre-Construction and Construction Bid Document Packages;
- Section 504 Policy and Grievance Procedures (if required);
- Affirmative Action Plan;
- HUD required file management and recordkeeping requirements; and
- HUD required Section 3 Plans and Outreach Strategies.
- Written Conflicts of Interest Policy

4.3.1 Procurement of Professional Services (A/E)

Subrecipients must comply with State, Municipal, and CDBG-DR procurement guidelines in compliance with 2 C.F.R. 200 (see Sections 2.9.13 and 3.2.10, above for more detailed information). NCORR will provide TA to all subrecipients on procurement and will as needed provide TA on an ongoing basis. NCORR's Infrastructure Recovery program may allow units of local government to conduct professional services using force account labor, however the local government must obtain prior approval, with an understanding that additional oversight from NCORR will be required and that the unit of government will need to demonstrate that it has the capacity and process in place to document and track hours spent on the project.

4.3.2 Development of Scope, Budget, and Schedule

As part of full project information form (PIF) development, subrecipients are required to produce and include in their project information form a detailed project description, preliminary cost estimates, and a project schedule. The cost estimate may include project costs, project delivery costs, and administrative costs. NCORR Infrastructure Recovery program staff will coordinate and communicate with the subrecipient on whether project delivery and administrative costs are to be provided to supplement the grant or if these costs are included in the project amount. In the event that project delivery costs are granted, they may not exceed 10% of project costs, and administrative costs may not exceed 0.5% of project costs. All project delivery costs, and administrative costs must be justifiable. No project costs incurred prior to project information form acceptance will be eligible for reimbursement, except for those required for the development of the project information form itself. No project delivery or administrative costs incurred prior to project information form acceptance will be eligible for reimbursement.

4.4 PROJECT DEVELOPMENT PHASE

In the project development phase, NCORR provides substantial TA to subrecipients (see Section 4.3.1) so that subrecipients remain in compliance with all requirements through the life of the project including the project development phase. The following steps are taken in the project development phase:

- Engagement of A/E professionals to design project if not previously procured.
- Development of project design by A/E professionals.
- Preparation of the bidding documents for construction by subrecipients.
- Acquisition of real property, rights of way, permits, by subrecipients.
- Obtainment of federal wage decisions and State wage decisions by subrecipients.
- Preparation of the environmental review record by NCORR.
- Authorization of the subrecipient to proceed to bidding/contract award by NCORR.
- Creating and initiating Section 3, MWBE outreach strategies and plans for the project.

4.5 CONSTRUCTION SERVICES BIDDING/PRECONSTRUCTION PHASE

NCORR provides substantial TA to subrecipients so that subrecipients remain in compliance with all requirements through the life of the project. This is particularly true for the bidding and pre- construction phases of the project. NCORR Infrastructure Program staff and the project coordinators will review and work closely with the subrecipient in this phase. Generally, subrecipients must advertise for competitive bids for construction contracts for public work in compliance with 2 CFR Part 200, Subpart D, State law, and their local procurement policies, whichever is the most restrictive (see Sections 2.9.13 and 3.2.10, above for more detailed information). The contract shall be awarded to the lowest-priced, responsive, responsible bidder. In some cases, the lowest-priced bid received will exceed the amount of funds allocated for the project. When this happens, subrecipients must contact Infrastructure Recovery program staff to determine the best option to proceed.

Subrecipients may advertise after receiving a project-specific award letter from NCORR and documenting to the Infrastructure program that:

- Final plans and specifications for the project are complete
- All lands, rights-of-way and easements have been acquired
- All required permits have been obtained
- All other program requirements have been met

Upon completion of bidding, subrecipients enter the preconstruction phase, which focuses on the subrecipients' understanding of CDBG-DR compliance. During this phase, specific pre- construction and construction phase TA is provided to keep subrecipient projects CDBG-DR eligible. Note that no CDBG-DR project may proceed to construction until environmental review is complete.

4.5.1 Construction Services Bidding

See Sections 2.9.13 and 3.2.10, above for more detailed information regarding construction services bidding.

4.5.2 Preconstruction

In the preconstruction phase, subrecipients, their contractors, NCORR Infrastructure Recovery Program staff, and/or project coordinators meet to discuss CDBG-DR requirements including:

- Section 3/EEO
- Labor standards
- Payroll reporting
- Project signs
- Payment procedures
- Inspection reports by project A/E and/or construction manager
- Change order processing

4.6 CONSTRUCTION PHASE

In the construction phase, Infrastructure Recovery NCORR Program staff and project coordinators ensure subrecipient conformance with all applicable CDBG-DR regulations, paying particularly attention to:

- Labor standards
- Section 3
- EEO

- Financial management.
- Change orders

4.6.1 Change Orders

All project-related change orders must be submitted for eligibility review and inclusion in the CDBG-DR project files. If the amount of a change order is $\geq 10\%$ of the contract or increases the total cost of the contract subrecipients must submit a preliminary, unexecuted copy of the change order for an eligibility review prior to executing the change order. In either case, NCORR will review change orders to determine if change order related costs are HUD-eligible and procured according to CDBG-DR requirements including:

- Whether sufficient grant or local funds are available to meet any increased costs;
- Inclusion of documentation that all items listed on the change order were reviewed for price reasonableness. In general, NCORR will only approve non-discretionary change orders which impact performance, safety, health, or the regulatory requirements of the project;
- Inclusion of documentation that all items listed on the change order are included in the scope of the environmental review record. Change orders shall be reviewed to ensure that the approved “footprint” contained within the project’s Environmental Review Record is not exceeded. Should modifications to the design that reflect a change in scope prior to completion of the ERR, relocation or expansion outside the original project area of approved ground disturbance, changes in height or elevation of project components, relocations of storage containers of liquid/gas substances, or generation of waste building or excavation materials that were not intended to be hauled offsite, the NCORR Environmental Review Team will be consulted as to whether the change order creates the necessity for re-evaluation of the Environmental Review Record.
- Inclusion of documentation that all items listed on the change order are within the scope of the approved project information form.

Change orders shall be reviewed for possible changes to M/WBE and Section 3 Utilization Plans and good-faith efforts.

If a change of scope or cost occurs after project information form approval, but before construction begins, NCORR will issue a project information form amendment.

4.7 PROGRAMMATIC MANAGEMENT AND MONITORING PHASE

4.7.1 Programmatic Management

Program staff and project managers work with subrecipients throughout implementation of a project to ensure that:

- An approved project is being constructed and implemented in a manner that is consistent with project information form and Federal, State, and local procurement requirements;
- Approved activities are carried out and completed in a timely manner;
- Activities and certifications are conducted in accordance with the requirements and the primary objectives of the approved project information form, subrecipient agreement, program requirements, and other applicable State and Federal laws, rules, regulations, and policies; and
- Administrative systems, policies, and procedures provide adequate protection for the prevention and mitigation of fraud, waste, and abuse.

In addition, throughout implementation, project coordinators conduct reviews to identify weaknesses. TA is provided throughout the implementation phase to ensure that subrecipients have the continuing capacity to carry out the approved project and activities.

4.7.2 Monitoring and Compliance

Details of NCORR’s monitoring and compliance goals, standards and procedures are set out at Section 2.6.

4.8 CLOSEOUT PHASE

In project closeout, subrecipients prepare closeout documents with TA from NCORR Infrastructure Recovery program staff and/or project coordinators. Subrecipients resolve all monitoring/audit findings with TA from NCORR Infrastructure Recovery program staff, and or project coordinators or NCORR Compliance Department staff. NCORR Infrastructure program staff reviews closeout documents, request clarifications or revisions if needed, and issues notice of completion for project.

Section 5: Definitions and Acronyms

5.1 COMMONLY USED ACRONYMS

Table 5: Acronyms

Acronym	Meaning
BCA	Benefit Cost Analysis
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CDR	Cost Documentation Review
DBRA	Davis-Bacon and Related Acts
DHS	United States Department of Homeland Security
DRGR	Disaster Recovery Grant Reporting System
EEO	Equal Employment Opportunity
EMMIE	Emergency Management Mission Integrated Environment
FEMA	Federal Emergency Management Agency
FHWA-ER	Federal Highway Administration – Emergency Relief
FLSA	Fair Labor Standard Acts of 1938
NCORR	State of North Carolina Office of Recovery and Resiliency
GSP	Grantee recipient Portal
HCDA	Housing and Community Development Act
HUD	United States Department of Housing and Urban Development
LEP	Limited English Proficiency
LMI	Low and Moderate Income
MBE	Minority Business Enterprise
MWBE	Minority and Women Business Enterprise
NEPA	National Environmental Policy Act
OIG	HUD Office of Inspector General

Acronym	Meaning
PAAP	Public Assistance Alternative Procedures Pilot Program
PW	Project Worksheet
QA	Quality Assurance
QC	Quality Control
RFP	Request for Proposals
RFQ	Request for Qualifications
SEPA	State Environmental Quality Review Act
URA	Uniform Relocation Act
USACE	U.S. Army Corps of Engineers
WBE	Women Business Enterprise

5.2 DEFINITIONS

100-Year Floodplain: Also referred to as the ‘base flood’. This term, adopted by the National Flood Insurance Program as the basis for mapping, insurance rating, and regulating new construction, is the floodplain that would be inundated in the event of a 100-year flood. The 100- year flood has a 1% chance of being equaled or exceeded during any given year.

Applicant: A homeowner, landlord, unit of local government, not for profit entity, business or other entity who makes a formal project information form for a NCORR managed program.

Benefit Cost Analysis (BCA): The process of evaluating a business opportunity or decision based on its cost involved and possible profits.

Benefit Cost Ratio (BCR): An indicator to identify the relationship between cost and benefit used in a BCA.

Change Orders: Modifications to the Scope of Work required due to unforeseen circumstances.

Community Development Block Grant (CDBG): A federal program administered by HUD, which provides grant funds to local and State governments. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

Community Development Block Grant Disaster Recovery (CDBG-DR): Similar in many ways to the CDBG program, these federal funds are administered by HUD but are specifically dedicated to assist with disaster recovery in areas impacted presidentially declared events. The grant funds differ from the traditional CDBG program by providing added flexibility for grantees to enact projects, however, all work must comply with HUD requirements.

Cost Documentation Review (CDR): A spreadsheet used to capture financial documentation associated with each PW.

Contract for Deed (also referred to as a Lease Purchase Agreement): Legal document that establishes items to be met in order for the deed to a piece of property to transfer from one person to another, usually in exchange for monthly payments until the purchase price has been paid.

Davis-Bacon Wage Requirements/Davis-Bacon and Related Acts (DBRA): The DBRA require all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.

United States Department of Homeland Security (DHS): A department under the US federal government with the primary responsibility of protecting US territory (including from natural disasters).

Disaster Recovery Grant Reporting System (DRGR): The Disaster Recovery Grant Reporting system was developed by HUD's Office of Community Planning and Development for the CDBG Disaster Recovery program and other special appropriations. Data from the system is used by HUD staff to review activities funded under these programs and for required quarterly reports to Congress.

Equal Employment Opportunity (EEO): Prohibits federal contractors and federally-assisted construction contractors and subcontractors, who do over \$10,000 in government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin.

Emergency Management Mission Integrated Environment (EMMIE): FEMA's recordkeeping system. EMMIE tracks grant project information forms and associated documents after each disaster declarations. This system manages all files related to the PWs, keeping applicants in compliance with FEMA regulations.

Environmental Review Record: A permanent set of files containing all documentation pertaining to the environmental review compliance procedures conducted and environmental clearance documents.

Federal Emergency Management Agency (FEMA): An agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and State authorities.

Final Inspection Report (FIR): FIR is released by FEMA upon the completion the project and of the report submitted by State certifying that the applicant's costs were incurred during the completion of eligible work.

Fair Labor Standard Acts of 1938 (FLSA): FLSA establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week.

Floodplain fringe: The portion of the floodplain outside of the floodway, which is covered by floodwater during the 100-year Flood. The term, "flood-fringe" is generally associated withstanding rather than flowing water. It is also that part of the floodplain wherein development is subject to a community's floodplain ordinance.

Floodway: (also known as the "regulatory Floodway") is the portion of the Floodplain effective in carrying flow where flood hazard is generally the greatest, and water velocity is the highest. In the Floodway, fill or other development is likely to divert flow and contribute to increased water depths during a flood. Ideally, Floodways should be undeveloped areas that can accommodate flood flows with minimal risk.

Flood Zones: The land areas identified by the Federal Emergency Management Agency (FEMA). Each flood zone describes that land area in terms of its risk of flooding. Everyone lives in a flood zone; it's just a

question of whether you live in a low, moderate, or high-risk area.

Grantee: The term “grantee” refers to any jurisdiction receiving a direct award from HUD under P.L. 114-254 or P.L. 115-31. The State of North Carolina is identified as the sole grantee in the State with these allocations.

Housing and Community Development Act (HCDA): HCDA is a US federal law that authorizes funds to be “awarded directly to the State or unite of general local government as a grantee at the discretion of the Secretary of Housing and Urban Development”.

United States Department of Housing and Urban Development (HUD): Federal department through which the program funds are distributed to grantees.

Limited English Proficiency (LEP): A designation for persons that are unable to communicate effectively in English because their primary language is not English, and they have not developed fluency in the English language. A person with Limited English Proficiency may have difficulty speaking or reading English. An LEP person benefits from an interpreter who translates to and from the person’s primary language. An LEP person may also need documents written in English translated into his or her primary language so that person can understand important documents related to health and human services.

Low-to-Moderate Income (LMI): Low to moderate income people are those having incomes not more than the “moderate-income’ level (80% Area Median Family Income) set by the federal government for the HUD-assisted Housing Programs. This income standard changes from year to year and varies by household size, county and the metropolitan statistical area.

Minority Business Enterprise (MBE): A business that is owned and controlled (minimum of 51 % ownership) by a member of a minority group.

Minority and Women-owned Business Enterprise (M/WBE): A business that is owned and controlled (minimum of 51 % ownership) by a member of a minority group, or women.

State of North Carolina Office of Recovery and Resiliency (NCORR): is the official Hurricane Matthew CDBG-DR grantee, who has overall responsibility for all activities tied to the CDBG- DR grant funded on P.L. 114-254 and P.L. 115-31.

Non-compliant with flood insurance requirement (NCOMP): Records indicate that flood insurance on the damaged home has not been maintained as required. Failing to maintain flood insurance makes this home ineligible for assistance for damages to the property caused by flooding.

National Environmental Policy Act (NEPA): Establishes a broad national framework for protecting the environment. NEPA’s basic policy is to assure that all branches of government give proper consideration to the environment prior to undertaking any major federal action that could significantly affect the environment.

Owner: A person or persons who are listed on the deed as owning that property.

HUD Office of Inspector General (OIG): OIG’s mission is independent and objective reporting to the Secretary and the Congress for the purpose of bringing about positive change in the integrity, efficiency, and effectiveness of HUD operations. The Office of Inspector General became statutory with the signing of the

Inspector General Act of 1978 (P.L. 95-452).

Public Assistance Alternative Procedures (PAAP) Pilot Program: The Public Assistance Alternative Procedures Pilot Program implements the alternative procedures which allows FEMA to gather information on their effectiveness.

Procurement Documentation Review (PDR): PDR is designed to capture all relevant procurement documentation associated with PWs. This includes contracts, purchase orders, bid packages, and the classification of labor as contract, force account, or both.

Property Ownership: Defined as holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, or a quitclaim deed to the Property to be assisted. The deed must be recorded with the county, city, or appropriate local municipality.

Project Worksheets (PWs): Each PW contains the entire funded project and only items contained in a PW are eligible for FEMA reimbursement. At a minimum, files for each PW created by FEMA document the project, the location, the damage, the scope of work, the cost estimate, as well as back-up documentation.

Quality Assurance (QA): Planned and systematic production processes that provide confidence that the policy and procedures of the program are being executed as planned.

Quality Control (QC): Testing to ensure that the policy and procedures of the program are being executed as planned.

Reconstruction: The labor, materials, tools, and other costs of rebuilding.

Repair: The labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Request for Proposal (RFP): A procurement document designed to solicit proposal services where cost is considered as a factor.

Request for Qualifications (RFQ): A procurement document designed to solicit qualifications for services defined.

Responsible Entity (RE): Under 24 CFR Part 58, the term “responsible entity” (RE) means the grantee receiving CDBG assistance. The responsible entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record is complete.

Small Business Administration (SBA): SBA's Office of Disaster Assistance (ODA) provides affordable, timely and accessible financial assistance to applicants, renters, and businesses. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

State Environmental Policy Act (SEPA): All State and Local Government agencies must comply with SEPA responsibilities to consider environmental impacts equally with social and economic factors.

Scope of Work (SOW): The work to be performed or completed by the applicant. All FEMAPA projects considered for Non-Federal Share Local Match with CDBG-DR funds must have funding and a scope of work that is contained in an eligible and obligated Project Worksheet(PW).

Slum and Blight: “Blighted area” and “slum” mean an area in which at least 70% of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the State or a political subdivision of the State, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

Subrogation: The process by which duplicative assistance paid to the applicant after receiving an award, is remitted to the program in order to rectify a Duplication of Benefits.

Trust: A legal vehicle to hold property subject to certain duties and to protect it for another individual.

Uniform Relocation Act (URA): A federal law that establishes minimum standards for federally- funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

U.S. Army Corps of Engineers (USACE): A US federal agency for public engineering, design, and construction management.

Urgent Need Objective: Under the disaster recovery federal regulations, HUD has determined that an urgent need exists within the Presidentially Declared counties. An urgent need exists because existing conditions pose serious and immediate threats to the health/welfare of the community, the existing conditions are recent or recently became urgent (typically within 18 months), and the subrecipient or State cannot finance the activities on its own because other funding sources are not available. All applicants who cannot meet the LMI National Objective are placed into the Urgent Needs category.

Women Business Enterprise (WBE): A business that is owned and controlled (minimum of 51 % ownership) by a woman.

Section 6: Exhibits

Table 6: Exhibits

Exhibit Number	Exhibit Name
1	Abbreviated Project Information Form (APIF)
2	Project Information Form (PIF)
3	Panel Voting Form
4	North Carolina (Infrastructure Recovery) CDBG-DR Duplication of Benefit Policy and Templates
5	HUD Guidance regarding Options and Conditional Contracts
6	Change Order Review/Approval Form
7	Form H-01 Subrecipient First Annual Risk Assessment Template
8	Form H-02 Subrecipient Project Risk Assessment Template

EXHIBIT 1 - ABBREVIATED PROJECT INFORMATION FORM (APIF)

Exhibit 1

North Carolina Office of Recovery and Resiliency CDBG-DR Infrastructure Recovery Program

ABBREVIATED PROJECT INFORMATION FORM

1. RECIPIENT (County): Insert all contact information for recipient and contact persons.

Name of Recipient:

Physical Address:

Name of Recipient Contact Person(s):

Telephone Number(s):

Email Address of Recipient/Contact Person(s):

2. PROJECT NAME AND ADDRESS:

Project Name:

County Name:

Project Address:

Will the project be located in the 100-year floodplain or floodway?

3. CDBG-DR ELIGIBLE ACTIVITY:

State the eligible activity (ies), including the regulatory/statutory citations(s), and how this project fits that/those eligible activity(ies).

4. NATIONAL OBJECTIVE:

National Objective to be addressed.

- Activities Benefiting Low/Moderate Income Persons
- Prevention/Elimination of Slums or Blight
- Urgent Need
- Not Applicable—Planning

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Briefly discuss how the project meets that National Objective.

5. ANTICIPATED PROJECT FUNDING AND COST ESTIMATE:

PROJECT FUNDS	AMOUNT	SOURCE AND STATUS	REMARKS (IF ANY)
CDBG-DR			
LOCAL FUNDS			
PRIVATE FUNDS			
OTHER STATE FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL			

5.1 PLEASE PROVIDE THE TOTAL ESTIMATED PROJECT COST (INCLUDE PRE-CONSTRUCTION SERVICES AND CONSTRUCTION CONTINGENCY):

6. PROJECT DESCRIPTION AND SUPPORTING INFORMATION:

- a. What type of project is proposed?

- b. **(For Public Housing Authority projects only)** What is the estimated number of units that will be rehabilitated/reconstructed under the proposed project?

- c. **(For Public Housing Authority projects only)** What is the estimated average cost per unit for the proposed rehabilitation/construction?

- d. Is the proposed project new construction, rehabilitation, upgrading of existing facilities, other?

- e. What is the anticipated duration of the construction (in days)?

- f. What are the objectives of the project?

- g. What are the expected results?

h. Are there any known historic districts or properties that will be impacted by the proposed project?

i. Please check the anticipated level of environmental review necessary for the proposed project (from 24 CFR Part 58):

- Exempt _____
- Categorically Excluded Not Subject to Section 58.5 _____
- Categorically Excluded Subject to Section 58.5 _____
- Environmental Assessment (EA) _____
- Environmental Impact Statement (EIS) _____
- Adoption of FEMA's Environmental Review (limited to co-funded FEMA PA projects) _____

6.1 PROJECT STATUS:

Has any component of the project begun, such as procurement of A/E, environmental review, Preliminary Engineering Report, design, construction, etc.?

Yes _____

No _____

If yes, please provide a description of those project activities that have been completed and/or are currently underway, the percent complete of each activity, and whether any action items will be undertaken ~~in the near~~ future.

Please also provide a description regarding whether the intent is to use CDBG-DR funds to pay for activities completed or currently underway.

TIE TO THE STORM/RECOVERY RATIONALE:

Please provide a narrative addressing the following questions:

- How does this project address the direct impact(s) of Hurricane Matthew?

- How does it address a recovery objective of the community from Hurricane Matthew?

BRIEF DESCRIPTION OF CONSTRUCTION INVOLVED**BRIEF DESCRIPTION OF ACQUISITION INVOLVED:**

Please briefly describe the nature of any necessary land or property or easement acquisition and a rationale for its selection.

MITIGATION/RESILIENCY PLAN:

Provide a brief description discussing how the project design will address mitigation/resiliency to minimize damage in the event of future flooding or extreme weather.

7. PROJECT FEASIBILITY:

Please provide brief answers and/or a narrative addressing **ALL** of the following questions regarding the likelihood of the project being implemented and completed:

Was the proposed project included as part of the County's previously submitted application for CDBG-DR funding?

Was the proposed project included in the County's Resilient Redevelopment Plan? If so, please provide page number(s) for reference.

Briefly describe the community support for the project and any outreach efforts the recipient has taken.

Are there any significant regulatory, permitting, or environmental issues that may impede the project's progress?

If the project requires additional financial support beyond the NC Community Recovery Infrastructure program funding, are those funds available and/or committed?

8. PROJECT MAPS:

Please provide maps/diagrams of the project location and a preliminary site plan.

EXHIBIT 2 - PROJECT INFORMATION FORM (PIF)

Exhibit 2

North Carolina Office of Recovery and Resiliency CDBG-DR Infrastructure Recovery Program

PROJECT INFORMATION FORM

General Information (for CDBG-DR staff only after review):

- FEMA Disaster Number: **DR 4285, Hurricane Matthew**
- Public Law(s) Allocating DR Funds: **PL 114-223, 9-26-16; PL 114-254, 1-18-17;** _____
- Federal Register Notice(s): **81 FR 83254, 11-21-16; 82 FR 5591, 1-18-17;** _____
- National Objective: _____
- North Carolina County/City: _____
- Activity from NC Action Plan & Amendments: _____
- HUD Form 2880 Completed: _____
- Reserved: _____

Please Note: This completed form and all supporting documentation must be submitted to the CDBG-DR program via the Salesforce system, if available (license required). Acceptable formats are Word, PDF, or Salesforce filled-in fields if this option is available. After receipt of this form NCORR, CDBG-DR staff will convene a review panel to determine whether the proposed project remains eligible for CDBG-DR funding. The recipient will be notified in writing of that determination. The pertinent portions of this form should be completed with as much detail as necessary to adequately describe the proposed project and its potential CDBG-DR eligibility.

RECIPIENT SUBMISSION AUTHORIZATION AND DISCLOSURE

AUTHORIZED BY (Signature Required):
PRINTED NAME:
TITLE:
DATE:
CDBG-DR PROJECT NUMBER (if known):
ATTACH/INCLUDE COMPLETED HUD DISCLOSURE FORM at HUD Form 2880

Check One: Original Application _____ Amended Application _____

1. RECIPIENT (County): Insert all contact information for recipient and contact persons.

Name of Recipient:

Physical Address:

Federal ID Number:

DUNS Number:

SAMS CAGE Code:

Name of Recipient Contact Person(s):

Telephone Number:

Mailing Address of Recipient:

Email Address of Recipient:

Name, address, phone number, and contact person of Architectural/Engineering firm (if available):

Name, Address, Phone Number and Email Address of Administrative Consultant (if applicable):

2. PROJECT NAME AND ADDRESS:

Insert the physical address of the proposed project, or of the entity if the project is a program/planning activity. If a project does not have a physical address, then provide latitude/longitude of the project site below.

- a. Project Name:
- b. County Name:
- c. Project Address:
- d. Target Area Census Tract(s) and the geographical area of the low-moderate income persons to benefit from the project:
- e. Latitude/Longitude of project site, if required:
- f. Will the project be located in the 100-year floodplain or floodway?

3. CDBG-DR ELIGIBLE ACTIVITY:

State the eligible activity (ies), including the regulatory/statutory citations(s), and how this project fits that/those eligible activity(ies).

4. NATIONAL OBJECTIVE:

National Objective to be addressed.

- Activities Benefiting Low/Moderate Income Persons
- Prevention/Elimination of Slums or Blight
- Urgent Need
- Not Applicable—Planning

Briefly discuss how the project meets that National Objective.

5. ANTICIPATED PROJECT FUNDING AND COST ESTIMATE (amounts in the following two tables should agree):

PROJECT FUNDS	AMOUNT	SOURCE AND STATUS	REMARKS (IF ANY)
CDBG-DR			
LOCAL FUNDS			
PRIVATE FUNDS			
OTHER STATE FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL			

PRELIMINARY PROJECT COST ESTIMATE

Complete the preliminary project budget by addressing the categories provided in the table below. Insert rows, columns, and identifiers as needed for the specific project. Use or reference additional sheets if necessary. Total the cost amount for each ~~line~~ and provide the total project cost.

Column A is for NCORR reimbursable grant costs only. Total should not exceed grant amount.

	CDBG-DR Funding Requested (only)	Other Secured Funding <small>Name _____</small>	Other Secured Funding <small>Name _____</small>	Total Cost Amount
Construction Costs	A	B	C	A+B+C, etc.
(Contingency 10% of construction costs)				
Construction Subtotal				
Engineering Costs				
Engineering Design				
Permitting				
Land Surveying Costs				
Engineering Subtotal				
Administration Costs				
Planning				
Easement Preparation (if applicable)				
Grant Administration (if applicable)				
Environmental Documentation Preparation (if applicable)				
Legal Costs				
Other				
Administration Subtotal				
Total each funding source: A, B, C				
TOTAL PROJECT COST				

Provide a Professional Engineer or Architect seal for the preliminary cost estimate in the space to the right.

Please also provide the following information:

Environmental Review Record Complete: _____ Acquisition/Closing (if applicable): _____

Design Complete: _____ Construction Start Date: _____

Construction End Date: _____

HUD Matrix Code (Can be found at <https://www.hudexchange.info/resources/documents/Matrix-Code-Definitions.pdf>) _____

6. PROJECT DESCRIPTION AND SUPPORTING INFORMATION:

Please include project details, to the extent available, for the following items (items b and c should also be included for Public Housing Authority projects):

- a. What type of project is proposed?

- b. **(For Public Housing Authority projects only)** What is the estimated number of units that will be rehabilitated/reconstructed under the proposed project?

- c. **(For Public Housing Authority projects only)** What is the estimated average cost per unit for the proposed rehabilitation/construction?

- d. Is the proposed project new construction, rehabilitation, upgrading of existing facilities, other?

- e. What is the anticipated duration of the construction (in days)?

- f. What are the objectives of the project?

- g. What are the expected results?

- h. Are there any known historic districts or properties that will be impacted by the proposed project?

i. Please check the anticipated level of environmental review necessary for the proposed project (from 24 CFR Part 58):

- Exempt _____
- Categorically Excluded Not Subject to Section 58.5 _____
- Categorically Excluded Subject to Section 58.5 _____
- Environmental Assessment (EA) _____
- Environmental Impact Statement (EIS) _____
- Adoption of FEMA's Environmental Review (limited to co-funded FEMA PA projects) _____

j. Are land acquisition or easement rights involved?

k. What are the previous and proposed uses of the impacted property or site?

l. Is the project in conformance with any approved community plans?

m. Will Davis-Bacon Wages be required on this project?

n. Will Section 3 apply to the proposed project?

o. Do you anticipate any program income as a result of the proposed project?

6.1 PROJECT STATUS:

Has any component of the project begun, such as procurement of A/E, environmental review, Preliminary Engineering Report, design, construction, etc.?

Yes _____

No _____

If yes, please provide a description of those project activities that have been completed and/or are currently underway, the percent complete of each activity, and whether any action items will be undertaken in the near future.

Please also provide a description regarding whether the intent is to use CDBG-DR funds to pay for activities completed or currently underway.

6.2 PROJECT CONTEXT:

Please provide the following information regarding the proposed project:

Is the proposed project part of a larger plan or project? Yes _____ No _____

If Yes, is it sufficiently separate from that plan or project and does not rely on it to provide a complete project and does not trigger CDBG-DR requirements on other parts of the plan/project?

BENEFICIARIES/PUBLIC BENEFIT/TARGET AREA:

Please provide a narrative addressing the following questions:

- Who are the beneficiaries of the proposed project?
- What are the expected benefits to these beneficiaries, and where do they live?

Indicate by means of an "x" as to whether the proposed project will involve a community-wide benefit or a target area(s) benefit and enter the zip code of the project. If a target area is involved, enter the name(s) and zip code of the target area(s).

Community-wide _____ Target Area(s) _____

Name and Zip Code of Community-wide or Target Area: _____

Name and Zip Code of Community-wide or Target Area: _____

Name and Zip Code of Community-wide or Target Area: _____

Community-wide projects should use the zip code of the location of city hall. Target-area projects should use the zip code of the target area where the majority of the construction funds will be spent (for each target area). If the target area(s) does not have a name, please provide a brief geographical description of the area such as "western portion of the city."

How many other projects funded with CDBG-DR funds relate to the project?

Does the project relate to any other project that NCORR should be aware of? _____

If flood insurance is required, has the entity that will be required to carry it in perpetuity been informed of this requirement? _____ Yes _____ No

Is this project receiving FEMA Public Assistance funding? Yes No

Is this project receiving FEMA Public Assistance 406 Hazard Mitigation Funds? Yes No

If Yes, please provide the FEMA Project Worksheet number(s) for this project application: _____

(The FEMA project work sheet number should include the FEMA disaster declaration number in the first four (4) digits and the project worksheet number in the last five (5) digits. A Hurricane Matthew related project with the project worksheet "567" would be entered as "4285-00567")

Is this project receiving FEMA Section 404 Hazard Mitigation funds? Yes No

Is this project receiving any Army Corps of Engineers funding? Yes No

If yes, please provide the type of funds applied for and application number: _____

Is this project receiving any Environmental Protection Agency funds? Yes No

If yes, please provide the type of funds applied for and application number? _____

Is this project receiving any Department of Energy funds? Yes No

If yes, please provide the type of funds applied for and application number: _____

Is this project receiving any Department of Transportation funds? Yes No

If yes, please provide the type of funds applied for and application number: _____

Is this project receiving any Department of the Interior funds? Yes No

If yes, please provide the type of funds applied for and application number: _____

Is this project receiving any State funds (e.g. Disaster Recovery Act funds)? Yes No

If yes, please provide the type of funds applied for and application number: _____

In the event that any of the above questions result in a "yes", it is possible that a duplication of benefit (DOB) may occur. It is important that added information is provided to a yes response, since in the event that a recipient either does not disclose a DOB or adequately answer the question, it may result in the recipient having to return CDBG-DR funds and or reallocate funding to remain in compliance with HUD and State requirements.

TIE TO THE STORM/RECOVERY RATIONALE:

Please provide a narrative addressing the following questions:

- How does this project address the direct impact(s) of Hurricane Matthew?
- How does it address a recovery objective of the community from Hurricane Matthew?

DESCRIPTION OF CONSTRUCTION INVOLVED

Provide a narrative addressing the following questions:

- How extensive is the proposed construction?
- Will digging, earthwork, boring, tunneling, etc. be involved in the project?

DESCRIPTION OF ACQUISITION INVOLVED:

Please briefly describe the nature of any necessary land or property or easement acquisition and a rationale for its selection.

MITIGATION/RESILIENCY PLAN:

Provide a description discussing how the project design will address mitigation/resiliency to minimize damage in the event of future flooding or extreme weather.

7. PROJECT FEASIBILITY:

Please provide brief answers and/or a narrative addressing ALL of the following questions regarding the likelihood of the project being implemented and completed:

Was the proposed project included as part of the County's previously submitted application for CDBG-DR funding?

Was the proposed project included in the County's Resilient Redevelopment Plan? If so, please provide page number(s) for reference.

Briefly describe the community support for the project and any outreach efforts the recipient has taken.

Are there any significant regulatory, permitting, or environmental issues that may impede the project's progress?

If the project requires additional financial support beyond the NC Community Recovery Infrastructure program funding, are those funds available and/or committed?

8. PROJECT MAPS AND SUPPORTING INFORMATION (attached to this PIF or separately):

Please provide the following:

- Location of the project within the County
- Preliminary site plan showing the location of proposed facilities
- Preliminary drawings, if available
- Any other supporting information that may improve the review panel's understanding of the proposed project.

EXHIBIT 3 - PANEL VOTING FORM

Ver. 4 070620

Exhibit 3
 North Carolina Office of Recovery and Resiliency
 Infrastructure Recovery Program
 Panel Voting Form, Project No. CRI-000-0000
 _____xx, 2021

PROJECT NAME:

APPLICANT/SUBRECIPIENT:

PROJECT LEAD/PLANNER NAME:

AMENDED Form Yes No

APIF PIF

PROJECT CONSIDERATIONS FOR PANELISTS			
	Yes	No	N/A
Eligible Activity	<input type="checkbox"/>	<input type="checkbox"/>	
National Objective	<input type="checkbox"/>	-	
Total Project Cost	<input type="checkbox"/>	-	
Project Description	<input type="checkbox"/>	<input type="checkbox"/>	
Beneficiaries/Public Benefit/Target Area	<input type="checkbox"/>	-	
Recovery Rationale	<input type="checkbox"/>	-	
Description of Work Involved	<input type="checkbox"/>	-	
Description of Acquisition Involved	<input type="checkbox"/>	-	
Conceptual Site Plan and Maps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PANEL VOTING RECORD			
Name of Voting Panel Member	Yes	No	Signature of Voting Panel Members Confirming Project Approval
	<input type="checkbox"/>	<input type="checkbox"/>	
Comments [No Comments <input type="checkbox"/>]: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>			
NCORR DECISION Approved: _____ Denied: _____			

EXHIBIT 4 - NORTH CAROLINA (INFRASTRUCTURE RECOVERY) CDBG-DR DUPLICATION OF BENEFIT POLICY AND TEMPLATES

Exhibit 4

North Carolina CDBG-DR Duplication of Benefit Policy

Purpose:

This Policy serves as a prevention of a duplication of benefits (DOB) and will set out steps that must be taken to prevent fraud, waste and abuse of the allocation of funds received by the State of North Carolina from the Housing Urban Development (HUD), Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. NCORR, its sub-recipients and contractors will utilize this policy as guidance when determining eligibility for the CDBG DR programs. The policy is applicable to all CDBG-DR Programs.

Authority:

Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5121-5207 as amended. The Stafford Act provides the framework for the Federal government's role in preparing for and recovering from a disaster. Specifically, Section 312 of the Stafford Act prohibits any person, business concern, or entity from receiving "any part of such loss as which he has received financial assistance under any other program, insurance or any source".

Definition, 42 U.S.C. 5155(a):

A duplication of benefits occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a recovery purpose. The amount of the duplication is the amount of assistance provided more than need.

The CDBG-DR programs administered by NCCORR are subject to this Duplication of Benefit Policy. Each program will have operational procedures that contain detailed provisions that identify the documents to be provided by applicants seeking assistance, as well as the procedures for how the documents will be verified. The State's DOB Policy adheres to the guidelines published in the Federal Register/Vol.76, No. 221/Wednesday, November 16, 2011.

Regardless of the type of CDBG-DR program, the first step of the DOB calculation is to determine the amount of funds previously received or made available to assist with disaster needs. At the time of the intake/application process, persons, business concerns, and other entities receiving CDBG-DR assistance will be required to disclose all sources of disaster recovery assistance received. NCCORR will require each sub-recipient or contractor to verify the amount received by reviewing source documentation. Each CDBG-DR program identified in the Action Plan substantial amendment, is required to have the necessary forms and procedures to document and address DOB. All recipients of CDBG-DR funding are ~~required to~~:

1. Identify applicant's total need prior to any assistance.
2. Identify all potentially duplicative assistance.



Exhibit 4

**North Carolina CDBG-DR
Duplication of Benefit Policy**

3. Identify assistance determined not to be duplicative for the activity; ~~such as:~~
 - Funds used for a different, eligible purpose.
 - Funds not available to the applicant e.g., forced mortgage payoff, contractor ~~fraud, etc.~~
 - Funds from a private loan not guaranteed by SBA, but forgivable loans ~~are duplicative.~~
 - Any other asset or line of credit available to the applicant, e.g. checking or saving accounts, stocks, etc.
4. Perform a calculation to determine the total funds available from other sources for the activity.
 - Calculate by subtracting the total assistance from the total funds needed to complete the activity.
5. Perform a calculation by subtracting the assistance from other sources (duplicative assistance from the total need for assistance).
6. Require the return of all funds when/if other funds were later received for the same purpose as the CDBG-DR funds. NCORR and contractors will monitor compliance with the agreement for a minimum of one year, by contacting the grant recipient and verifying with agencies as noted above/and or listed in the original DOB calculation.
7. Recapture funds if necessary. If additional needs were established, subsequent funds would not be considered a duplication of benefits (76 FR 221. 71062). If an additional need is not demonstrated, disaster recovery funds must be recaptured to the extent that they are more than the need and duplicate other assistance received by the beneficiary for the same purpose. If CDBG-DR funds or non-Federal funds were provided last and unknowingly create a duplication, the method of recapturing the CDBG-DR funds provided will be consistent with 2 C.F.R. 200. Time period will include an annual review of DOB as noted utilizing the State's recapture policy.

The following represents the Basic Framework for an example for how the DOB calculation would be completed:

1. Identify Applicants Total Need	\$100,000
2. Identify All Potentially Duplicative Assistance (e.g. received \$50,000 from insurance but \$20,000 was for personal property)	50,000
3. Deduct assistance determined to be duplicative	30,000
4. Maximum eligible award (item 1 minus item 3)	70,000
5. Program cap (if applicable)	<u>25,000</u>
6. Final award (lesser of items 4 and 5)	25,000

Eligible applicants may have previously received assistance from other sources. The following are sources of funding assistance provided for structural damage and loss that may be considered a DOB and under federal law must be deducted from the assistance provided:

- FEMA Individual Assistance for Structure (IA),
- FEMA National Flood Insurance Program (NFIP) and/or Increased Cost of Compliance (ICC),
- Private Insurance,
- Small Business Administration (SBA),
- Charity, and
- Any other funding source that may duplicate assistance.



Exhibit 4

North Carolina CDBG-DR Duplication of Benefit Policy

In addition to using this framework, NCORR, subrecipients and contractors will follow the process outlined below:

- All applicants will be required to sign a DOB Certification Form (subrogation agreement) at the time of application, agreeing to disclose, and to repay any additional funds received as compensation for damages from the declared disaster for which assistance has been provided.
- Applicants are required to sign a Consent to Release form permitting NCORR to request information regarding assistance received from various agencies.
- NCORR will establish data sharing agreements with federal, state, and other entities, to ensure ongoing exchange to access data files, which include previous benefits paid for real property repairs from FEMA, SBA, National Flood Insurance Program (NFIP), and private insurance, private or non-profit that will be available to sub-recipients and contractors.
- The grantee, subrecipient and contractors will utilize a third-party verification process by sending a Consent to Release Form signed by the applicant to all agencies identified by an applicant as well as all known financial assistance resource to determine whether repair resources were received, this includes federal, state, and local, non-profit agencies and other organizations. In addition, each sub-recipient must identify the local funding that was available in the declared communities to ensure that all resources available to disaster
- In the case of third-party verification and in the absence of a non-response from agencies after three requests, the case manager will use information obtained from the applicant and through their own research efforts to acquire the needed data.
- Sub-recipients when analyzing receipts should develop a system to input receipts received both eligible and ineligible to document the total amount eligible and ineligible.
- Utilize a DOB checklist for each applicant's file to track activity applicable to the type of assistance provided (Housing, Infrastructure, or Economic Development).
- Complete a Duplication of Benefit Review Worksheet (analysis of DOB): the worksheet will be reviewed with the applicant; the applicant and the case manager or other designated staff are required to execute and date the worksheet. Make the final DOB analysis available to, HUD and any auditor (OIG or independent)
- Any DOB identified should be adjusted from the submitted claim prior to payment authorization.
- All files should undergo a thorough quality assurance and control (QA/QC) review prior to sending a letter of approval for CDBG-DR benefits for each applicable program.
- DOB documentation, QA/QC records should be stored electronically in each Sales Force file or in a system of record (approved by NCORR). These records must be accessible to HUD and other state, federal regulatory agencies.



Exhibit 4
**North Carolina CDBG-DR
Duplication of Benefit Policy**

DOB Attachments:

- Attachment 1 - Subrecipient Certification of DOB Template
- Attachment 2 - Subrogation and Consent to Release Template



Exhibit 4 - Attachment 1

NOTE: Federal regulations (Stafford Act §312(a) [42 U.S.C § 5155] require a duplication of benefits (DOB) analysis for projects receiving U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) support to ensure that subrecipients do not receive more funds for a project than are needed. **Subrecipients** must report all assistance they have received for a project from such sources as Insurance, Small Business Administration (SBA), Federal Emergency Management Agency (FEMA), and other local, State, or Federal programs, and private or nonprofit charitable organizations. Any funds received from these sources for this project must be considered when the amount of the CDBG-DR grant is determined. While inclusion in a long-term capital plan does not constitute a DOB, if a project has been included in the **subrecipient's** annual budget, there may be DOB. CDBG-DR is a funding source of last **resort**, and should funds become available for a project in the future such that some or all of the CDBG-DR funds budgeted for the project would constitute a duplication of benefits, those CDBG-DR funds will be disallowed or, if outlaid, must be returned to the North Carolina Office of Recovery and Resiliency (NCORR.) Please consult with NCORR staff if you have any questions regarding whether a potential DOB exists. Please use the chart below to describe the funds the subrecipient has received and/or committed for the project.

NC Office of Recovery and Resiliency			
Infrastructure Recovery Program Subrecipient Certification of Duplication of Benefits			
			(Ver. 6 063020)
1. Subrecipient Name:	TEMPLATE/SAMPLE		
2. Project Name:			
3. CDBG-DR CRI Project No:			
4. Action Plan Activity:	Infrastructure Recovery		
5. Identify project need, prior to any assistance (This block must include the total anticipated project need)			
			\$
6. Identify below all potentially duplicative assistance received or anticipated:			
a.	Insurance Proceeds (including Windpool)	\$	
b.	Federal Emergency Management (FEMA Public Assistance - PA)	\$	
c.	Federal Emergency Management (FEMA HMGP/BRIC/PMG)	\$	
d.	Small Business Administration (SBA)	\$	
e.	National Flood Insurance Program (NFIP)	\$	
f.	National Resource Conservation Service (NRCS)	\$	
g.	Private Foundations	\$	
h.	Other CDBG-DR programs/activities	\$	
i.	Other State, Federal, or local funding	\$	
j.	Other nonprofit or private sector funds	\$	
k.	Project costs allocated in Capital Improvement Plan	\$	
l.	Other funding not included above	\$	
Duplication of Benefits Certification			
Pursuant to the North Carolina CDBG-DR Duplication of Benefit Policy I, being a duly authorized representative of XXXXXX County, NC hereby certify that all funding received, applied for, or reasonably anticipated to be available for the proposed CDBG-DR project has been included on this form. I understand that if this information is not correct, it may affect the amount of any grant I may receive or may lead to the recapture of disbursed funds by NCORR and/or HUD.			
Signature of Authorized Subrecipient:			Date:
Name/Title:			
Organization:			
WARNING: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under U.S.C. 287, 1001 and 31 U.S.C. 3729.			

Exhibit 4 - Attachment 2

Ver. 4 063020

North Carolina Office of Recovery and Resiliency**Infrastructure Recovery Program****Subrogation and Consent to Release Form****TEMPLATE**CDBG-DR Project No. CRI-~~xxx-xxxx~~

Description: _____

County of _____

Subrogation Agreement

I understand and agree that funds provided for the proposed project are Federal funds administered by HUD under the CDBG-DR Program and are subject to audit, disallowance, and repayment. I understand that all disaster recovery funds must be recaptured to the extent that they exceed the project need and duplicate other assistance received by _____ County for the same purpose(s). I shall promptly return ~~any and all~~ funds to Grantee, which are found to be ineligible, unallowable, unreasonable, a duplication of benefit, or non-compensable, no matter the cause. Note: ~~In the event that~~ additional project needs are established, subsequent funding would not be considered a duplication of benefits.

Consent to Release Information

I consent to the release of information from other funding agencies or sources pursuant to the NC DOB Policy (e.g. FEMA SBA, NFIP, private insurance, etc.) to the state regarding funding for this CDBG-DR project through a third-party verification process.


By: _____

Date: _____

EXHIBIT 5 - HUD GUIDANCE REGARDING OPTIONS AND CONDITIONAL CONTRACTS ([CLICK HERE TO VIEW MEMO AT HUD EXCHANGE](#))

Exhibit 5

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20-10-7000



ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

HUD-2010-1011

MEMORANDUM FOR: Regional Environmental Officers
 Field Environmental Officers
 Environmental Clearance Officers

FROM: Mercedes Marquez, Assistant Secretary, Community Planning and Development, D

SUBJECT: Guidance on Options and Conditional Contracts for Purchase of Real Property for Environmental Reviews Conducted by a Responsible Entity under 24 CFR 58

The purpose of this memorandum is to provide guidance on when it is appropriate for grantees to use conditional and option contracts for purchase of real property. Both conditional and option contracts are useful tools for grantees to obtain site control while allowing time to complete the environmental review. Option contracts have a broader use than conditional contracts. Conditional contracts are restricted to the acquisition of existing single family and multifamily residential properties. The use of conditional contracts is restricted to the purchase of existing structures that will be retained for the same use, with or without minor rehabilitation of the structure (or purchase and demolition of single family properties under limited circumstances). Conditional and option contracts differ in their obligations upon the buyer and seller. In addition, HUD has different restrictions imposed upon the use of conditional purchase contracts and option contracts.

Option Contract or Agreement:

A real estate option contract or agreement is a legal agreement between the potential buyer of real property and the owner of that property. The real estate option agreement gives the potential buyer the exclusive right to buy the property at a specific price within a specific time period. The option agreement does not impose any obligation upon the potential buyer to purchase the property. The option agreement does obligate the seller to sell at the specified price if the potential buyer exercises the option to buy in the manner described in the contract.

HUD's regulations at 24 CFR 58.22(d) allow for an option agreement for any project prior to the completion of the environmental review when the following requirements are met

- (1) the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58; and
- (2) the cost of the option is a nominal portion of the purchase price.

The provision allows flexibility regarding the term "nominal" and any reasonable interpretation is acceptable. For instance, it is reasonable to conclude that the nominal amount for option contracts will vary depending upon the local real estate market and the purchase price.

WWW.HUD.GOV CONTACT@HUD.GOV

Conditional Contract:

A conditional contract is a legal agreement between the potential buyer of a real estate property and the owner of that property. The conditional contract includes condition(s) that must be met for the obligation to purchase to become binding. Specifically a conditional contract binds the buyer to purchase the property if and when the condition(s) contained in the sales contract are met.

HUD has set very specific restrictions for the use of conditional contracts. Conditional contracts can be used in more limited circumstances than option contracts. In the past, HUD only allowed conditional contracts for single family properties (1-4 units); this guidance expands the use to multifamily residential properties. The use of conditional contracts is limited to the acquisition of existing single family and multifamily residential units as described below.

The Responsible Entity (RE) must complete the environmental review of the property pursuant to HUD regulations at 24 CFR Part 58 and receive approval of a Request for Release of Funds before the RE provides its written determination that the purchase of the property may proceed. For conditional contracts, HUD does not allow for flexibility for a non-refundable deposit - if a deposit is nonrefundable, it must be \$1000 or less for single family property and 3% of the purchase price for multifamily projects. If the environmental review requires conditions to mitigate any environmental impacts, then the RE (if it is not the Purchaser) should enter into an agreement with the Purchaser to ensure that the conditions will be undertaken.

Single Family (1-4 units)

This memorandum clarifies that a Responsible Entity may allow a recipient, subrecipient, or third party to enter into a conditional purchase contract for an existing single family home (one to four units) before the HUD environmental review of the property is complete when the action is limited to acquisition and/or rehabilitation¹ or demolition² of the home, provided that:

- (1) the purchase contract includes the appropriate language for a conditional contract (see below);
- (2) no transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until the RE determines, on the basis of the environmental review, that the transfer to the homebuyer should go forward, and the RE (or recipient) has obtained approval of a Request for Release of Funds and environmental certification, where applicable; and
- (3) depositing HUD funds or other funds is a reasonable amount and refundable if the conditions are not met, or if non-refundable, is nominal (\$1000 or less).

Multifamily Residential

A Responsible Entity (RE) may allow a recipient, sub-recipient, or third party to enter into a conditional purchase contract for an existing multifamily residential property before the HUD

¹ Rehabilitation that meets the requirements of 24 CFR 58.35(a)(3)(i)

² Demolition of existing single family home, provided that the end use of the property is limited to vacancy, reconstruction of single family home or is unknown at the time of acquisition.

environmental review of the property is complete when HUD or non-I-IUD funds will be used for acquisition and/or rehabilitation of the multifamily structure, provided that:

- (1) the structure is not located within a Special Flood Hazard Area;
- (2) the purchase contract includes the appropriate language for a conditional contract (see below);
- (3) no transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until the RE determines, on the basis of the environmental review, that the transfer to the buyer should go forward, and the RE (or recipient) has obtained approval of a Request for Release of Funds and environmental certification, where applicable; and
- (4) deposit using HUD funds or other funds is a reasonable amount and is refundable if the conditions are not met, or if non-refundable, is nominal (3% of purchase price or less).

If the conditions described above are met, then the following language, or similar language, must be included in the purchase contract:

Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchaser may occur, unless and until [Responsible Entity] has provided Purchaser and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. [Responsible Entity] shall use its best efforts to conclude the environmental review of the property expeditiously.

If you have any questions, please contact Danielle Schopp at Danielle.I.Schopp@hud.gov/202-402-4442.

Acquisition of existing multifamily residential structure provided that the structure will be retained for multifamily residential use
 Rehabilitation that meets the requirements of 24 CFR 58.35(a)(3)(ii)

Below is a table that compares and contrasts Conditional and Option Contracts:

	Types of projects/activities	Amount
Option Contract: Obligates seller only	Any - <ul style="list-style-type: none"> New construction, rehabilitation and/or demolition of single family or multifamily residential or non-residential structure 	<ul style="list-style-type: none"> Cost of option must be reasonable - may vary depending upon local real estate market Usually non-refundable
Conditional Contract: Obligates both buyer and seller if/when conditions are met	<i>Purchase of existing single family (1-4 units) with or without</i> <ul style="list-style-type: none"> Demolition or existing single family home, provided that the end use of the property is limited to vacancy, reconstruction of single family house or is unknown at the time of acquisition; or Rehabilitation when density is not increased beyond 4 units, the land use is not changed and the footprint of the building is not increased in a flood plain or in a wetland 	<ul style="list-style-type: none"> \$1000 or less for non-refundable deposit Reasonable amount for refundable deposit
	<i>Purchase of existing multifamily residential if the structure is not located in a Special Flood Hazard Area with or without</i> <ul style="list-style-type: none"> Rehabilitation when the unit density is not changed more than 20%, the project does not involve changes in land use: from residential to non-residential and the estimated cost of rehabilitation is less than 75% of the estimated cost of replacement after rehabilitation. 	<ul style="list-style-type: none"> 3% or less of purchase price for non-refundable deposit Reasonable amount for refundable deposit

EXHIBIT 7 - FORM H-01 SUBRECIPIENT FIRST ANNUAL RISK ASSESSMENT TEMPLATE



North Carolina Department of Public Safety
 Office of Recovery and Resiliency

Roy Cooper, Governor
 Erik A. Hooks, Secretary

Michael A. Sprayberry, Director
 Laura H. Hogshead, Chief Operating Officer

Subrecipient First Annual Risk Assessment Tool

General Subrecipient Information	
Disaster Grant Number	DR4285 - Matthew
Subrecipient Name	
Dun and Bradstreet Number (DUNS)	
Reviewer Name / Date of Assessment	
Date Assessment Completed	
Period of Performance Reviewed	

PRELIMINARY THRESHOLD QUESTIONS	
Check <input checked="" type="checkbox"/> if applicable	<input type="checkbox"/> Subrecipient has unresolved audits and programmatic findings, questionable or disallowed costs are not resolved.
	<input type="checkbox"/> Subrecipient listed as "Debarred" on federal or state debarment lists.
If the above threshold requirements are checked & were applicable at the time of risk assessment, please refer to NCORR Compliance Director for additional investigation and vetting.	

FUNDING & BUDGET	RISK CRITERIA	RISK LEVEL
Comments:	Amount of Funding: <input type="checkbox"/> >\$1,000,000 – High (10) <input type="checkbox"/> \$200,000 - 1,000,000 – Medium (5) <input type="checkbox"/> \$200,000– Low (1)	0
TOTAL		0

NUMBER OF ACTIVE PROJECTS	RISK CRITERIA	RISK LEVEL
Comments:	Number of projects currently being administered? <input type="checkbox"/> 4 Programs or More- High (10) <input type="checkbox"/> 2-3 Programs - Medium (5) <input type="checkbox"/> 1 Program - Low (1)	0
TOTAL		0

Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits

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 Durham, NC 27709



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CDBG-DR MANAGEMENT CAPACITY	RISK CRITERIA	RISK LEVEL
Comments:	Does the Subrecipient intend to self-administer their CDBG-DR projects? <input type="checkbox"/> YES – High (10) <input type="checkbox"/> NO-Low (1) <input type="checkbox"/> N/A	0
	Has the Subrecipient hired a consultant with prior CDBG-DR experience to administer the program? <input type="checkbox"/> YES <input type="checkbox"/> NO - High (10) <input type="checkbox"/> N/A If Yes, how many years of experience. <input type="checkbox"/> 0-1 year or less – High (10) <input type="checkbox"/> 2 years to 4 years - Medium (5) <input type="checkbox"/> 5 years or more - Low (1)	0
	Does the Subrecipient have any prior CDBG-DR Experience? <input type="checkbox"/> YES <input type="checkbox"/> NO - High (10) If Yes, how many years of experience. <input type="checkbox"/> 1 year or less – High (10) <input type="checkbox"/> 2 years to 4 years - Medium (5) <input type="checkbox"/> 5 years or more - Low (1)	0
	Is the Subrecipient an Entitlement Grantee? <input type="checkbox"/> YES <input type="checkbox"/> NO High (10) If Yes, how many years of experience does the subrecipient have administering grant funds? <input type="checkbox"/> 0 to 1 year – High (10) <input type="checkbox"/> 2 years to 5 years - Medium (5) <input type="checkbox"/> 5 years or more - Low (1)	0
TOTAL		0

PAST MONITORING	RISK CRITERIA	RISK LEVEL:
Comments:	How many completed projects have been monitored by NCORR? <input type="checkbox"/> 4 or more Programs - Low (1) <input type="checkbox"/> 2 to 3 Programs - Medium (5) <input type="checkbox"/> 0 to 1 Programs - High (10)	0
	Past monitoring by NCORR has resulted in: <input type="checkbox"/> Outstanding Findings from previous monitoring and/or a Recapture of funds required. - High (10) <input type="checkbox"/> Previously Monitored with outstanding findings that did not require recapture of program funds. - Medium(5) <input type="checkbox"/> Most recently completed monitoring produced no concerns or findings - Low (1)	0
TOTAL		0

Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits

FINANCIAL MANAGEMENT	RISK CRITERIA	RISK LEVEL:
Comments:	Based on documentation submitted to the NCORR Finance Department, is the Subrecipient in good standing? <input type="checkbox"/> Yes - Reimbursement requests are on time and accurate - Low (1) <input type="checkbox"/> Yes - Reimbursement requests are frequently (more than 3 times in a 12 month period) late and/or inaccurate - Medium (5) <input type="checkbox"/> No - Reimbursement requests are consistently missing and/or inaccurate - High (10)	0
	Does the Subrecipient's most recent A-133 audit show any internal financial controls findings? <input type="checkbox"/> YES - High (10) <input type="checkbox"/> NO - Low (1)	0
TOTAL		0
Additional Comments	Category	Total
	Funding and Budget	0
	Active Projects	0
	CDBD-DR Experience and Capacity	0
	Past Monitoring	0
	Financial Management	0
TOTAL RISK ASSESSMENT SCORE		0

Risk Level	Action	Score Range
High Risk	Immediate monitoring (within 30-90 days of completing the risk assessment)	60 - 100
Medium Risk	Intermediate need for monitoring (within 90-120 days of completing the risk assessment)	40 - 59
Low Risk	Add Subrecipient to semi-annual on-site monitoring schedule	0 - 39

Projected Monitoring Date _____


Risk Assessor Signature _____

Name and Title _____

Date Risk Assessment Completed _____

Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits

EXHIBIT 8 - FORM H-02 SUBRECIPIENT PROJECT RISK ASSESSMENT TEMPLATE

Mailing Address: Post Office Box 110465 Durham, NC 27709	 NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY	Telephone: 984.833.5350 www.ncdps.gov www.rebuildnc.gov
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Infrastructure Recovery Program Active Project Risk Assessment Tool (Post-APIF)		
General Project Information		
Disaster Grant Number	DR4285 - Hurricane Matthew -	
Project Funded Amount		
Subrecipient Name		
Dun and Bradstreet Number (DUNS)		
Reviewer Name / Date of Assessment		
Date Assessment Completed		
Name of Project Reviewed		
PRELIMINARY THRESHOLD QUESTIONS		
Check <input checked="" type="checkbox"/> if applicable		Subrecipient has unresolved audits and programmatic findings, questionable or disallowed costs are not resolved.
		Subrecipient listed as "Debarred" on federal or state debarment lists.
If the above threshold requirements are checked & were applicable at the time of risk assessment, please refer to NCORR Compliance Director for additional investigation and vetting.		
FUNDING & BUDGET	RISK CRITERIA	RISK LEVEL
Comments:	Project funded amount:	
	>\$1,000,000 – High (10)	0
	=\$200,000 - 1,000,000 – Medium (5)	0
	<=\$200,000– Low (1)	0
Comments:	Based on the number of change orders, what is the level of accuracy of the projected budget:	
	Potentially over budget (4 or more Change Orders) – High (10)	0
	Somewhat accurate (1-3 Change Orders)– Medium (5)	0
	Very Accurate (0 Change orders) - Low (1)	0
TOTAL FUNDING & BUDGET		0
<small>Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits</small>		
		<small>Rev. 8/24/2020</small>

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PROCUREMENT	RISK CRITERIA	RISK LEVEL
Comments:	Has the subrecipient performed procurement of any contractors to perform work on the project?	
	NO - High (10)	0
	YES - 5 or more - High (10)	0
	YES - Between 4 and 2 - Medium (5)	0
	YES - Fewer than 2 - Low (1)	0
TOTAL PROCUREMENT		0

PROJECT DURATION	RISK CRITERIA	RISK LEVEL
Comments:	What is the estimated duration of the project from start to completion?	
	5 or more years - High (10)	0
	Between 4 and 3 years - Medium (5)	0
	2 years or less - Low (1)	0
TOTAL PROJECT DURATION		0

PAST MONITORING	RISK CRITERIA	RISK LEVEL:
Comments:	How many times has the current project been monitored by NCORR?	
	0 to 1 - High (10)	0
	2 to 3 - Medium (5)	0
	4 or more - Low (1)	0
Comments:	Past monitoring by NCORR has resulted in:	
	No Monitoring has been conducted - High (10)	0
	Outstanding Findings from previous monitoring and/or a Recapture of funds required. - High (10)	0
	Previously Monitored with outstanding findings that did not require recapture of project funds. - Medium (5)	0
	Most recently completed monitoring produced no concerns or findings - Low (1)	0
TOTAL PAST MONITORING		0

ENVIRONMENTAL REVIEW	RISK CRITERIA	RISK LEVEL:
Comments:	What is the level of environmental review the project is subject to?	
	EIS: Environmental Impact Statement - High (10)	0
	EA: Environmental Assessment - Mid - High (8)	0
	CEST: Categorically Excluded, Subject To §58.5 - Med (6)	0
	CENST: Categorically Excluded, Not Subject To §58.5 - Mid-Low (4)	0
	Exempt: Subject to §58.6 - Low (1)	0
TOTAL ENVIRONMENTAL REVIEW		0

Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits

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Additional Comments	Categories	Total
	Funding and Budget	0
	Procurement	0
	Project Duration	0
	Past Monitoring	0
	Environmental Review	0
TOTAL RISK ASSESSMENT SCORE		0

Risk Level	Action	Score Range
HIGH RISK	Immediate monitoring (within 30-90 days of completing the risk assessment)	35 - 70
MEDIUM RISK	Intermediate need for monitoring (within 90-180 days of completing the risk assessment)	20 - 34
LOW RISK	Add subrecipient to semi-annual on-site monitoring schedule	0 - 19

REVIEWER'S SUMMARY COMMENTS:

Projected Monitoring Date: _____

Risk Assessor's Signature: _____

Name and Title: _____

Date Risk Assessment Completed: _____

Subrecipient Agreements require monitoring in accordance with 2 CFR 200.330-332 and Chapter 6 of the HUD CPD Monitoring Exhibits

Rev. 8/24/2020

EXHIBIT 9 – EXHIBIT 6-4 – GUIDE FOR REVIEW OF INFRASTRUCTURE AND PUBLIC FACILITIES

Guide for Review of Infrastructure and Public Facilities			
Name of Grantee:		Appropriation(s):	
Staff Consulted:			
Name(s) of Reviewer(s):		Date:	

NOTE: Chapter 2 of the monitoring handbook, an important and fundamental principle of the monitoring process. HUD is required to make findings when there is evidence that a statute, regulation or requirement has been violated, but it retains discretion in identifying appropriate corrective action(s) to resolve deficiencies. An equally fundamental principle is that program participants have due process rights to contest findings (24 CFR part 570 subpart O for local governments and 24 CFR 570.495 for state grantees (in some cases, applicable waivers and alternative requirements may subject states to subpart O)).

As provided in Chapter 2, HUD reviewers are advised that certain questions contain, as a parenthetical below the question, statutory or regulatory citations and/or contract/agreement references. A negative response (“No”) by the HUD reviewer to any such question indicates noncompliance that constitutes a “finding.” Including the basis for the requirement enables the entity being monitored to specifically reference the program requirement at issue. That entity is not precluded from self-assessing during the monitoring to determine if it has information or documentation that would cause the HUD reviewer to form a different conclusion.

In this exhibit, most questions that address requirements contain the specific citation for the source of the requirement (specific citation to a section of a statute, regulation, *Federal Register* notice, or grant agreement). Where a specific citation is contained in the question, it may only apply to certain grants; carefully review the cited requirement to determine its applicability.

In other cases, the question generally references the source of the requirement (e.g., applicable *Federal Register* notices or grant agreement) but does not provide a specific citation. This is because statutory requirements, *Federal Register* notices (including waivers and alternative requirements), and grant agreements can vary significantly from appropriation to appropriation, and waivers and alternative requirements may vary from grantee to grantee. When the question contains a general reference to a source, the reviewer is instructed to review the source to confirm that the relevant requirement that relates to the question is contained in the source and applies to the grantee. The reviewer should answer the question based on the requirement that applies to the grantee. If the reviewer answers the question “no” because the grantee did not comply with the requirements in the source that apply to the grantee, the HUD reviewer must

make a note of the applicable citation to document the violation that results in a finding of noncompliance.

Questions without a specific citation or a general reference to a controlling document do not address requirements. These questions are included to assist the reviewer in understanding the participant's program more fully and to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised but cannot result in a "finding."

A "Note" included with a question is intended to assist the reviewer with answering the question and is not a statutory or regulatory citation and/or contract/agreement reference that signals that a negative response ("No") by the HUD reviewer to the question indicates noncompliance that constitutes a "finding."

Instructions: This Exhibit is to be used to monitor infrastructure activities carried out with CDBG disaster recovery (CDBG-DR) funds, in addition to the applicable Addendum based on the disaster year being monitored. See Attachment 6-1, "Document Reference Tool," to determine which *Federal Register* notice(s) are applicable, and make sure to use the applicable Addendum based on the disaster year being monitoring. Generally, infrastructure activities are projects that involve the rehabilitation or construction of public facilities or public improvements. In some cases, the facilities or improvements may be designed to accomplish specific objectives related to critical infrastructure sectors (such as energy, communications, water and wastewater systems, transportation, and/or flood control). This Exhibit is divided into four sections: Scope of Review; Policies and Procedures; File Review; and Reporting and Oversight.

Questions:

A. SCOPE OF REVIEW

1.	What entity is responsible for the direct administration of the program or activity? Describe Basis for Conclusion:	
2.	Provide a brief description of the program or activity: Describe Basis for Conclusion:	
3.	Does the program or activity provide CDBG-DR funds for any building used for the general conduct of government? NOTE: Per the Housing and Community Development Act of 1974 (see 42 USC §5305(a)), buildings for the general conduct of government are ineligible for CDBG-DR funding, unless the restriction is waived in the	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

applicable <i>Federal Register</i> notices(s). If the restriction is waived, reviewer is to cite the applicable <i>Federal Register</i> notice(s). [See applicable <i>Federal Register</i> notice(s)]	
Describe Basis for Conclusion:	

4. Files reviewed (list all).

List Files:		
<u>Activity name or number</u>	<u>Funds Expended</u> (\$)	<u>Date of Expenditure</u> (MM/DD/YYYY)

B. POLICIES AND PROCEDURES

5. Does the grantee have written infrastructure and public facilities policies and procedures?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	N/A

Describe Basis for Conclusion:

6. In regard to *eligibility* of activities, do the policies and procedures require that:

a. Activities relate to the impact of the applicable disaster(s)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
b. Activities be located in an area that was Presidentially-declared as a major disaster?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

<p>c. A determination that the funded CDBG-DR activities are not reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>d. Activities to be CDBG-eligible?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>e. Activities to meet a national objective? If the answer is “yes,” list the acceptable national objective(s).</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>	

7. If the policies and procedures allow CDBG-DR funds to be used as the non-federal match for a project funded by the U.S. Army Corps of Engineers, is the amount of CDBG-DR restricted to \$250,000 or less?

[42 USC § 5305]

<p>If the policies and procedures allow CDBG-DR funds to be used as the non-federal match for a project funded by the U.S. Army Corps of Engineers, is the amount of CDBG-DR restricted to \$250,000 or less?</p> <p>[42 USC § 5305]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>	

8. Prior to answering the DOB questions in this exhibit, reviewers MUST complete the duplication of benefits section in the applicable Addendum, based on the disaster year being monitored, to ensure proper compliance with DOB and applicable *Federal Register* notice(s).

NOTE: Failure to maintain policies and procedures to adequately address duplication of benefits could lead to a violation of the requirement for grants under Public Laws appropriating CDBG-DR funds that the grantee have “established adequate procedures to prevent any duplication of benefits” or otherwise lead to a violation of section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

<p>After completion of the DOB section in the applicable addendum, does the grantee illustrate compliance (i.e. “yes” responses for all DOB related questions)?</p> <p>If so, the grantee’s policies and procedures are in place to <i>prevent duplication of benefit</i> (DOB).</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p>	

9. Do the policies and procedures require recapture of CDBG-DR funds?

<p>Do the policies and procedures require recapture of CDBG-DR funds?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
---	---

NOTE: Examples of why a grantee may need to address recapture of CDBG-DR funds could be in the case of an overpayment or duplication of benefits.	
Describe Basis for Conclusion:	

10. In regard to <i>ineligible assistance</i> , do the policies and procedures require that no assistance be provided to privately-owned utilities? NOTE: Grantees may request, and HUD may approve a waiver to allow for this activity. Check to see if your grantee was approved for this activity-specific waiver in the applicable <i>Federal Register</i> notices.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

11. In regard to <i>activities in floodplains, flood hazard area or equivalent in FEMA’s data source identified in 24 CFR 55.2(b)(1)</i> , do the policies and procedures: NOTE: If any of the answers below is “no,” the reviewer should consult with its regional HUD Environmental Officer to determine the need for a program review and/or monitoring.	
a. Require the purchase of flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any structures within an SFHA, and for any personal property contained therein, prior to disbursement of such assistance? NOTE: Flood insurance typically covers structures and insurable personal property that could be destroyed in a flood.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
b. Require that flood insurance be maintained during the life of an assisted property, regardless of transfer of ownership of such property and describes how the grantee will confirm the owner obtained and maintained flood insurance?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
c. Require structures constructed, reconstructed, or substantially improved in a SFHA to be elevated or floodproofed?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Please answer corresponding activity questions in applicable Addendum.	
Describe Basis for Conclusion:	

12. Do the policies and procedures address grantee monitoring of funded activities (e.g., priority and/or frequency)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
---	---

Describe Basis for Conclusion:

C. FILE REVIEW

13.	<p>In regard to eligibility of activities do reviewed activity files document:</p>	
	<p>a. How the activities relate to a recovery need arising from the impact of the applicable disaster(s)?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>[See applicable appropriation law and <i>Federal Register</i> notice(s)]</p>	
	<p>b. Activities are located in an area that was Presidentially-declared as a major disaster?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>[See applicable appropriation law, <i>Federal Register</i> notice(s), and in the grantee’s approved action plan for grantee-identified most impacted and distressed areas]</p>	
	<p>c. A determination that the funded CDBG-DR activities were not reimbursable by, and the CDBG-DR activities are not activities for which funds were made available by the Federal Emergency Management Agency or the Army Corps of Engineers?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>[See applicable appropriation law (e.g., P.L. 110-252, P.L. 110-329, P.L. 113-2)]</p>	
	<p>d. Activities met CDBG eligibility requirements or are eligible pursuant to a CDBG-DR waiver or alternative requirement in the applicable <i>Federal Register</i> notice(s)?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>[Section 105 of the HCDA for states; Activities eligible under 24 CFR part 570, or subpart C for local governments; See applicable <i>Federal Register</i> notice(s)]</p>	
	<p>e. Activities were funded in accordance with the program or activity policies and procedures?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>Describe Basis for Conclusion:</p>	

14.	<p>In regard to national objective, do reviewed activity files document that the activities met or will meet all criteria to demonstrate the activity satisfies a national objective?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>[24 CFR 570.483 and 24 CFR 570.490 (State), or 24 CFR 570.208 and 24 CFR 570.506 (Entitlement), or applicable <i>Federal Register</i> notice(s)]</p>	
	<p>Describe Basis for Conclusion:</p>	

Reviewers must answer the national objective question below that corresponds to the national objective met by the activity: 15 (Low- and moderate-income national objective); or 16 (urgent need national objective).

Compliance with criteria for a national objective depends upon how activity has been structured. Refer to HUD guidance regarding the use of the Low- and Moderate-Income (LMI) national objective (housing, limited clientele, area benefit, etc.) AND the applicable Federal Register notices, which contain waivers and alternative requirements that modify LMI national objective criteria.

15. In regard to the <i>Low- and Moderate-Income national objective</i> :	
<p>LMI Area Benefit (LMA): Reviewed activity files document that the activity benefits all of the residents in a particular area and the area defined by the grantee is:</p> <ul style="list-style-type: none"> • Primarily residential; and, • One where at least 51 percent of the residents in the area are low- and moderate-income persons or the percent of low- and moderate-income residents in the area equal or exceed the exception criteria or upper quartile? <p>[24 CFR 570.483(b)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(1) and 570.506; applicable <i>Federal Register</i> notice]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

16. Do reviewed activity files document that the new construction of housing met the criteria of the Urgent Need national objective, including one of the following:	
<p>i. <i>If the grantee received a waiver and is subject to an alternative requirement</i> of the certification requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) in a <i>Federal Register</i> notice, how the program responds to disaster-related impacts identified in the action plan needs assessment;</p> <p style="text-align: center;">OR</p> <p>NOTE: The action plan needs assessment in i. under the alternative requirement must have referenced the type, scale, and location of the disaster-related impacts being addressed over the course of the expenditure of obligated grant funds for the program.</p> <p>[24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5), applicable <i>Federal Register</i> notice(s)]</p> <p>ii. The requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) if the waiver expired prior to the activity or if the grantee did not receive a waiver of the certification requirements?</p> <p>[24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5), applicable <i>Federal Register</i> notices]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

Describe Basis for Conclusion:

- | | | |
|-----|---|---|
| 17. | <p>If the grantee did not meet the criteria of a national objective that is described in the prior questions, do reviewed activity files document that the activity met or will meet the criteria of another national objective?</p> <p style="text-align: center;">NOTE: Reviewers may choose to consult Chapter 3 and Chapter 4 Exhibits that include a guide for review of national objective criteria to ensure that the activity met or will meet the criteria of another national objective.</p> | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Yes No N/A |
|-----|---|---|

Describe Basis for Conclusion:

- | | | |
|-----|--|---|
| 18. | <p>Have reviewed activities been monitored by the grantee in accordance with its policies and procedures?</p> <p>Refer to Section B above.</p> | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Yes No N/A |
|-----|--|---|

Describe Basis for Conclusion:

- | | | |
|-----|---|---|
| 19. | <p>In regard to <i>ineligible assistance</i>, do the activity files document that no assistance be provided to privately-owned utilities?</p> <p style="text-align: center;">NOTE: Grantees may request, and HUD may approve a waiver to allow for this activity. Check to see if your grantee was approved for this activity-specific waiver in the applicable <i>Federal Register</i> notices.</p> | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Yes No N/A |
|-----|---|---|

[See applicable *Federal Register* notice(s)]

Describe Basis for Conclusion:

- | | |
|-----|--|
| 20. | <p>In regard to Improper Payments, do reviewed activity files document:</p> <p style="text-align: center;">NOTE: An improper payment means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.</p> |
|-----|--|

<p>a. That an improper payment of CDBG-DR funds was not made?</p> <p>[See applicable <i>Federal Register</i> notice(s); 2 CFR 200.302(b)(4) and 2 CFR 200.303(d); 24 CFR 570.502]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A		
<p>b. If the answer to 20.a above is “no,” the grantee is taking prompt and appropriate corrective action?</p> <p>NOTE: For example, seeking recapture of funds resulting from an improper payment could be an appropriate corrective action.</p> <p>[See applicable <i>Federal Register</i> notice(s); 2 CFR 200.302(b)(4) and 2 CFR 200.303(d); 24 CFR 570.502]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A		
For reviewed activities with an improper payment, please complete the following:			
<u>Activity name or number</u>	<u>Improper payment amount (\$)</u>	<u>Type of improper payment</u>	<u>Corrective action</u>
Please ensure that the activity names or numbers listed correspond with those listed in Section A, Question 4 of this Exhibit.			
Describe Basis for Conclusion:			

D. OVERSIGHT AND REPORTING

21. If the grantee is not directly administering the program or activity, in regard to oversight:

<p>a. Is there evidence that the grantee is providing the subrecipient or subgrantee with technical assistance?</p> <p>[See applicable <i>Federal Register</i> notice(s); Section 106(d)(2)(c)(ii) of the HCDA if this certification is not waived (States); 24 CFR 570.503]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>b. Is the grantee monitoring activities through an on-site or remote review to effectively ensure compliance with its subrecipient or subgrantee agreement?</p> <p>[See applicable <i>Federal Register</i> notice(s); 2 CFR 200.331; 24 CFR 570.501(b); 24 CFR 570.503]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>c. Is the grantee receiving the subrecipient or subgrantee records that must be submitted to the grantee to comply with their subrecipient or subgrantee agreement?</p> <p>[See applicable <i>Federal Register</i> notice(s); 24 CFR 570.503(b)(2)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

d. Is the grantee complying with its policies and procedures?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

22. In regard to the ***Disaster Recovery Grant Reporting (DRGR) system:***

a. Are activities classified correctly in DRGR (e.g., the correct accomplishment type is associated with the applicable activity)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
b. Do quarterly performance reports correctly record the appropriate performance measures (e.g., the number of properties acquired)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
c. Do performance measures and projected end dates match the information in the program files?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

23. In regard to ***activity completion:***

a. Are activities completed in accordance to: If the answers to the sub-questions below are “yes,” the reviewer can select “yes” for this question.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
i. The completion dates or period of performance in the contract(s)? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
ii. The completion dates in its action plan? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
iii. The completion dates entered into DRGR? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
b. If the answer to 23.a above is “no”, was the action plan amended for any subsequent changes, updates or revisions of the projections? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
c. If the answer to 23.a above is “no,” are contracts amended and extended before they lapse?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

NOTE: The reviewer should look at each applicable <i>Federal Register</i> notice(s) for the specific activity completion requirements for its Quarterly Performance Reports and contracts.		
d. If the answer to 24.a above is “no,” the reviewer should answer the sub-questions below and describe in its basis for conclusion:		
i. Has the grantee determined the reason for the delay in the activity’s completion?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Yes No N/A
ii. Has the grantee identified a corrective action to rectify the activity’s delay?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Yes No N/A
iii. Has the grantee revised the activity’s completion deadline?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Yes No N/A
Describe Basis for Conclusion:		

EXHIBIT 10 – EXHIBIT 6-13 – ADDENDUM GUIDE FOR REVIEW OF CDBG-DR 2016 DISASTERS

Guide for Review of Infrastructure and Public Facilities			
Name of Grantee:		Appropriation(s):	
Staff Consulted:			
Name(s) of Reviewer(s):		Date:	

NOTE: Chapter 2 of the monitoring handbook, an important and fundamental principle of the monitoring process. HUD is required to make findings when there is evidence that a statute, regulation or requirement has been violated, but it retains discretion in identifying appropriate corrective action(s) to resolve deficiencies. An equally fundamental principle is that program participants have due process rights to contest findings (24 CFR part 570 subpart O for local governments and 24 CFR 570.495 for state grantees (in some cases, applicable waivers and alternative requirements may subject states to subpart O)).

As provided in Chapter 2, HUD reviewers are advised that certain questions contain, as a parenthetical below the question, statutory or regulatory citations and/or contract/agreement references. A negative response (“No”) by the HUD reviewer to any such question indicates noncompliance that constitutes a “finding.” Including the basis for the requirement enables the entity being monitored to specifically reference the program requirement at issue. That entity is not precluded from self-assessing during the monitoring to determine if it has information or documentation that would cause the HUD reviewer to form a different conclusion.

In this exhibit, most questions that address requirements contain the specific citation for the source of the requirement (specific citation to a section of a statute, regulation, *Federal Register* notice, or grant agreement). Where a specific citation is contained in the question, it may only apply to certain grants; carefully review the cited requirement to determine its applicability.

In other cases, the question generally references the source of the requirement (e.g., applicable *Federal Register* notices or grant agreement) but does not provide a specific citation. This is because statutory requirements, *Federal Register* notices (including waivers and alternative requirements), and grant agreements can vary significantly from appropriation to appropriation, and waivers and alternative requirements may vary from grantee to grantee. When the question contains a general reference to a source, the reviewer is instructed to review the source to confirm that the relevant requirement that relates to the question is contained in the source and applies to the grantee. The reviewer should answer the question based on the requirement that applies to the grantee. If the reviewer answers the question “no” because the grantee did not comply with the requirements in the source that apply to the grantee, the HUD reviewer must make a note of the applicable citation to document the violation that results in a finding of noncompliance.

Questions without a specific citation or a general reference to a controlling document do not address requirements. These questions are included to assist the reviewer in understanding the participant’s program more fully and to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a “concern” being raised but cannot result in a “finding.”

A “Note” included with a question is intended to assist the reviewer with answering the question and is not a statutory or regulatory citation and/or contract/agreement reference

that signals that a negative response (“No”) by the HUD reviewer to the question indicates noncompliance that constitutes a “finding.”

Instructions: This Exhibit is to be used to monitor infrastructure activities carried out with CDBG disaster recovery (CDBG-DR) funds, in addition to the applicable Addendum based on the disaster year being monitored. See Attachment 6-1, “Document Reference Tool,” to determine which *Federal Register* notice(s) are applicable, and make sure to use the applicable Addendum based on the disaster year being monitoring. Generally, infrastructure activities are projects that involve the rehabilitation or construction of public facilities or public improvements. In some cases, the facilities or improvements may be designed to accomplish specific objectives related to critical infrastructure sectors (such as energy, communications, water and wastewater systems, transportation, and/or flood control). This Exhibit is divided into four sections: Scope of Review; Policies and Procedures; File Review; and Reporting and Oversight.

Questions:

A. SCOPE OF REVIEW

24.	What entity is responsible for the direct administration of the program or activity?	
	Describe Basis for Conclusion:	

25.	Provide a brief description of the program or activity:	
	Describe Basis for Conclusion:	

26.	Does the program or activity provide CDBG-DR funds for any building used for the general conduct of government?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
	<p>NOTE: Per the Housing and Community Development Act of 1974 (see 42 USC §5305(a)), buildings for the general conduct of government are ineligible for CDBG-DR funding, unless the restriction is waived in the applicable <i>Federal Register</i> notices(s). If the restriction is waived, reviewer is to cite the applicable <i>Federal Register</i> notice(s).</p> <p>[See applicable <i>Federal Register</i> notice(s)]</p>	
	Describe Basis for Conclusion:	

27. Files reviewed (list all).

List Files:		
<u>Activity name or number</u>	<u>Funds Expended (\$)</u>	<u>Date of Expenditure (MM/DD/YYYY)</u>

B. POLICIES AND PROCEDURES

28. Does the grantee have written infrastructure and public facilities policies and procedures?
Yes No N/A

Describe Basis for Conclusion:

29. In regard to *eligibility* of activities, do the policies and procedures require that:

f. Activities relate to the impact of the applicable disaster(s)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
g. Activities be located in an area that was Presidentially-declared as a major disaster?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
h. A determination that the funded CDBG-DR activities are not reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
i. Activities to be CDBG-eligible?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
j. Activities to meet a national objective? If the answer is “yes,” list the acceptable national objective(s).	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

Describe Basis for Conclusion:

30. If the policies and procedures allow CDBG-DR funds to be used as the non-federal match for a project funded by the U.S. Army Corps of Engineers, is the amount of CDBG-DR restricted to \$250,000 or less? [42 USC § 5305]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

31. Prior to answering the DOB questions in this exhibit, reviewers MUST complete the duplication of benefits section in the applicable Addendum, based on the disaster year being monitored, to ensure proper compliance with DOB and applicable <i>Federal Register</i> notice(s). <p style="text-align: center;">NOTE: Failure to maintain policies and procedures to adequately address duplication of benefits could lead to a violation of the requirement for grants under Public Laws appropriating CDBG-DR funds that the grantee have “established adequate procedures to prevent any duplication of benefits” or otherwise lead to a violation of section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.</p>	
After completion of the DOB section in the applicable addendum, does the grantee illustrate compliance (i.e. “yes” responses for all DOB related questions)? If so, the grantee’s policies and procedures are in place to <i>prevent duplication of benefit</i> (DOB).	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

32. Do the policies and procedures require recapture of CDBG-DR funds? <p style="text-align: center;">NOTE: Examples of why a grantee may need to address recapture of CDBG-DR funds could be in the case of an overpayment or duplication of benefits.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

33. In regard to <i>ineligible assistance</i> , do the policies and procedures require that no assistance be provided to privately-owned utilities? <p style="text-align: center;">NOTE: Grantees may request, and HUD may approve a waiver to allow for this activity. Check to see if your grantee was approved for this activity-specific waiver in the applicable <i>Federal Register</i> notices.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

<p>34. In regard to activities in floodplains, flood hazard area or equivalent in FEMA’s data source identified in 24 CFR 55.2(b)(1), do the policies and procedures:</p> <p>NOTE: If any of the answers below is “no,” the reviewer should consult with its regional HUD Environmental Officer to determine the need for a program review and/or monitoring.</p>	
<p>d. Require the purchase of flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any structures within an SFHA, and for any personal property contained therein, prior to disbursement of such assistance?</p> <p>NOTE: Flood insurance typically covers structures and insurable personal property that could be destroyed in a flood.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>e. Require that flood insurance be maintained during the life of an assisted property, regardless of transfer of ownership of such property and describes how the grantee will confirm the owner obtained and maintained flood insurance?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>f. Require structures constructed, reconstructed, or substantially improved in a SFHA to be elevated or floodproofed?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Please answer corresponding activity questions in applicable Addendum.</p>	
<p>Describe Basis for Conclusion:</p>	

<p>35. Do the policies and procedures address grantee monitoring of funded activities (e.g., priority and/or frequency)?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>	

C. FILE REVIEW

<p>36. In regard to eligibility of activities do reviewed activity files document:</p>	
<p>f. How the activities relate to a recovery need arising from the impact of the applicable disaster(s)?</p> <p>[See applicable appropriation law and <i>Federal Register</i> notice(s)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>g. Activities are located in an area that was Presidentially-declared as a major disaster?</p> <p>[See applicable appropriation law, <i>Federal Register</i> notice(s), and in the grantee’s approved action plan for grantee-identified most impacted and distressed areas]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

<p>h. A determination that the funded CDBG-DR activities were not reimbursable by, and the CDBG-DR activities are not activities for which funds were made available by the Federal Emergency Management Agency or the Army Corps of Engineers?</p> <p>[See applicable appropriation law (e.g., P.L. 110-252, P.L. 110-329, P.L. 113-2)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>i. Activities met CDBG eligibility requirements or are eligible pursuant to a CDBG-DR waiver or alternative requirement in the applicable <i>Federal Register</i> notice(s)?</p> <p>[Section 105 of the HCDA for states; Activities eligible under 24 CFR part 570, or subpart C for local governments; See applicable <i>Federal Register</i> notice(s)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>j. Activities were funded in accordance with the program or activity policies and procedures?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>	

37. In regard to ***national objective***, do reviewed activity files document that the activities met or will meet all criteria to demonstrate the activity satisfies a national objective?

[24 CFR 570.483 and 24 CFR 570.490 (State), or 24 CFR 570.208 and 24 CFR 570.506 (Entitlement), or applicable *Federal Register* notice(s)]

Yes No N/A

Describe Basis for Conclusion:

Reviewers must answer the national objective question below that corresponds to the national objective met by the activity: 15 (Low- and moderate-income national objective); or 16 (urgent need national objective).

Compliance with criteria for a national objective depends upon how activity has been structured. Refer to HUD guidance regarding the use of the Low- and Moderate-Income (LMI) national objective (housing, limited clientele, area benefit, etc.) AND the applicable Federal Register notices, which contain waivers and alternative requirements that modify LMI national objective criteria.

38. In regard to the *Low- and Moderate-Income national objective*:

<p>LMI Area Benefit (LMA): Reviewed activity files document that the activity benefits all of the residents in a particular area and the area defined by the grantee is:</p> <ul style="list-style-type: none"> • Primarily residential; and, • One where at least 51 percent of the residents in the area are low- and moderate-income persons or the percent of low- and moderate-income residents in the area equal or exceed the exception criteria or upper quartile? 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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	<p>[24 CFR 570.483(b)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(1) and 570.506; applicable <i>Federal Register</i> notice]</p>	
<p>Describe Basis for Conclusion:</p>		
39.	<p>Do reviewed activity files document that the new construction of housing met the criteria of the Urgent Need national objective, including one of the following:</p> <p>iii. <i>If the grantee received a waiver and is subject to an alternative requirement</i> of the certification requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) in a <i>Federal Register</i> notice, how the program responds to disaster-related impacts identified in the action plan needs assessment;</p> <p style="text-align: center;">OR</p> <p>NOTE: The action plan needs assessment in i. under the alternative requirement must have referenced the type, scale, and location of the disaster-related impacts being addressed over the course of the expenditure of obligated grant funds for the program.</p> <p>[24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5), applicable <i>Federal Register</i> notice(s)]</p> <p>iv. The requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) if the waiver expired prior to the activity or if the grantee did not receive a waiver of the certification requirements?</p> <p>[24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5), applicable <i>Federal Register</i> notices]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>		
40.	<p>If the grantee did not meet the criteria of a national objective that is described in the prior questions, do reviewed activity files document that the activity met or will meet the criteria of another national objective?</p> <p>NOTE: Reviewers may choose to consult Chapter 3 and Chapter 4 Exhibits that include a guide for review of national objective criteria to ensure that the activity met or will meet the criteria of another national objective.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>		

41. Have reviewed activities been monitored by the grantee in accordance with its policies and procedures? Refer to Section B above.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

42. In regard to <i>ineligible assistance</i> , do the activity files document that no assistance be provided to privately-owned utilities? <p style="text-align: center;">NOTE: Grantees may request, and HUD may approve a waiver to allow for this activity. Check to see if your grantee was approved for this activity-specific waiver in the applicable <i>Federal Register</i> notices.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
[See applicable <i>Federal Register</i> notice(s)]	
Describe Basis for Conclusion: 	

43. In regard to Improper Payments, do reviewed activity files document: <p style="text-align: center;">NOTE: An improper payment means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.</p>			
c. That an improper payment of CDBG-DR funds was not made? [See applicable <i>Federal Register</i> notice(s); 2 CFR 200.302(b)(4) and 2 CFR 200.303(d); 24 CFR 570.502]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A		
d. If the answer to 20.a above is “no,” the grantee is taking prompt and appropriate corrective action? <p style="text-align: center;">NOTE: For example, seeking recapture of funds resulting from an improper payment could be an appropriate corrective action.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A		
[See applicable <i>Federal Register</i> notice(s); 2 CFR 200.302(b)(4) and 2 CFR 200.303(d); 24 CFR 570.502]			
For reviewed activities with an improper payment, please complete the following:			
<u>Activity name or number</u>	<u>Improper payment amount (\$)</u>	<u>Type of improper payment</u>	<u>Corrective action</u>

Please ensure that the activity names or numbers listed correspond with those listed in Section A, Question 4 of this Exhibit.			
Describe Basis for Conclusion:			

D. OVERSIGHT AND REPORTING

44. If the grantee is not directly administering the program or activity, in regard to oversight:

e. Is there evidence that the grantee is providing the subrecipient or subgrantee with technical assistance?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
[See applicable <i>Federal Register</i> notice(s); Section 106(d)(2)(c)(ii) of the HCDA if this certification is not waived (States); 24 CFR 570.503]	
f. Is the grantee monitoring activities through an on-site or remote review to effectively ensure compliance with its subrecipient or subgrantee agreement?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
[See applicable <i>Federal Register</i> notice(s); 2 CFR 200.331; 24 CFR 570.501(b); 24 CFR 570.503]	
g. Is the grantee receiving the subrecipient or subgrantee records that must be submitted to the grantee to comply with their subrecipient or subgrantee agreement?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
[See applicable <i>Federal Register</i> notice(s); 24 CFR 570.503(b)(2)]	
h. Is the grantee complying with its policies and procedures?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

45. In regard to the ***Disaster Recovery Grant Reporting (DRGR) system:***

d. Are activities classified correctly in DRGR (e.g., the correct accomplishment type is associated with the applicable activity)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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e. Do quarterly performance reports correctly record the appropriate performance measures (e.g., the number of properties acquired)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
f. Do performance measures and projected end dates match the information in the program files?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

46.

In regard to <i>activity completion</i>:	
e. Are activities completed in accordance to: If the answers to the sub-questions below are “yes,” the reviewer can select “yes” for this question.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
iv. The completion dates or period of performance in the contract(s)? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
v. The completion dates in its action plan? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
vi. The completion dates entered into DRGR? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
f. If the answer to 23.a above is “no,” was the action plan amended for any subsequent changes, updates or revisions of the projections? [See applicable <i>Federal Register</i> notice(s)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
g. If the answer to 23.a above is “no,” are contracts amended and extended before they lapse? NOTE: The reviewer should look at each applicable <i>Federal Register</i> notice(s) for the specific activity completion requirements for its Quarterly Performance Reports and contracts.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
h. If the answer to 24.a above is “no,” the reviewer should answer the sub-questions below and describe in its basis for conclusion:	
iv. Has the grantee determined the reason for the delay in the activity’s completion?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
v. Has the grantee identified a corrective action to rectify the activity’s delay?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A

vi. Has the grantee revised the activity's completion deadline?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	