

AGREEMENT NUMBER 16-NDR-11311
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:
 STATE AGENCY'S NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
 CONTRACTOR'S NAME
Sierra Nevada Conservancy
- The term of this Agreement is: **Upon HCD Approval through 09/30/2022**
- The maximum amount of this Agreement is: **\$1,518,134.00**
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Recitals, Authority, Purpose and Scope of Work	13
Exhibit B - Set-Up/Completion and Payment Provisions	7
Exhibit C - State of California General Terms and Conditions*	GTC - 04/2017
Exhibit D - CDBG-NDR Terms and Conditions	24
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Exhibit F - HCD NDRC Application Certifications and Partnership Agreements	10
TOTAL NUMBER OF PAGES ATTACHED	112 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. The GTC 04/2017 documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

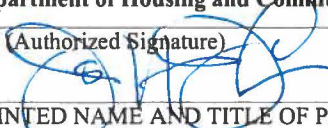
CONTRACTOR		California Department of General Service Use Only
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc) Sierra Nevada Conservancy		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 5/10/17	MAY 30 2017
PRINTED NAME AND TITLE OF PERSON SIGNING Jim Branham, Executive Officer		
ADDRESS 11521 Blocker Drive, Suite 205, Auburn, CA 95603		
STATE OF CALIFORNIA		
AGENCY NAME Department of Housing and Community Development		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 5/30/2017	MAY 30 2017
PRINTED NAME AND TITLE OF PERSON SIGNING Synthia Rhinehart, Contracts Manager, Business & Contract Services Branch		
ADDRESS 2020 W. El Camino Ave., Sacramento, CA 95833		
		<input checked="" type="checkbox"/> Exempt per: SCM 4.04.A.3 (DGS Memo dated 6/12/81)

EXHIBIT A

RECITALS, AUTHORITY, PURPOSE AND SCOPE OF WORK

RECITALS

On June 22, 2015, U. S. Department of Housing and Urban Development (“HUD”) Secretary Julián Castro invited California and 39 other states and communities to compete in the second and final phase of the National Disaster Resilience Competition (“NDRC”). These finalists, representing areas that experienced a presidentially declared major disaster in 2011, 2012, and/or 2013, competed for a portion of almost \$1 billion in funding for disaster recovery and long-term community resilience.

The CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD” or “Department”) submitted an NDRC application to HUD on behalf of the State of California. This application included three (3) activities to address unmet recovery need related to the December 13, 2013 presidentially declared disaster known as the California Rim Fire (“DR-4158”) that occurred in Tuolumne County. In response to the NDRC Notice of Funding Availability (“NOFA”) (defined below), HCD, in conjunction with other partners, developed a program known as The Community and Watershed Resilience Program (“State Program” or “Program”). The Program has three (3) separate activities located in Tuolumne County that are interconnected. Development of the Program and associated activities requires HCD to continue working with partners identified in the NDRC application approved by HUD.

Funding for the competition is from the Community Development Block Grant-National Disaster Resilience (“CDBG-NDR”) appropriation provided by the Disaster Relief Appropriations Act, 2013 (PL 113-2), which made emergency funds available for Hurricane Sandy and other Presidentially-declared disasters occurring in 2011-2013. The competition focused states’ and local jurisdictions’ efforts to prepare their communities for the impacts of climate change and to support investments in more resilient infrastructure. HCD’s NDRC application requested \$117,000,000 for the two projects and one program activity, and HUD awarded \$70,359,459 on January 21, 2016. The HUD award included approximately \$19,755,000 for the development and implementation of a Community Resilience Center (“CRC”) to be carried out by Tuolumne County, \$22,000,000 for a proposed biomass utilization facility (“BUF”) project with the development and initial implementation to be administered by Sierra Nevada Conservancy (“SNC”), and \$28,604,459 for the Forest and Watershed Health Program (“FWHP”) implementation to be administered by SNC. General administration funding not to exceed 5 percent of the total award will be allocated from within each awarded activity budget.

HUD announced the NDRC funding in a NOFA publication, attached in Exhibit E (Funding Opportunity Number: FR-5800-N-29, Opportunity Title: National Disaster Resilience Competition).

The NDRC is a response to requests for funding from states and local communities to address the unmet recovery needs, through strategic community investments for resilience, to recover from past presidentially declared disasters while improving their ability to withstand future environmental shocks and stresses.

HUD has awarded NDRC funds for innovative approaches that address unmet recovery needs from past disasters while also addressing the vulnerabilities that could put Americans in harm’s way during future disasters. The competition encourages communities to consider how they can recover from a past disaster and how to avoid and mitigate future disaster losses. Applicants (i.e., the State of California) had to link or “tie-back” their proposals to the disaster from which they were recovering, as well as demonstrate how they were reducing future risks and advancing broader community development goals within their target geographic area(s).

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1. NDRC Competition Objectives

The Competition sought to meet the following six objectives:

- A. Fairly and effectively, allocate \$1 billion in CDBG-NDR funds.
- B. Create multiple examples of modern disaster recovery that apply science-based and forward-looking risk analysis to address recovery, resilience, and revitalization needs.
- C. Leave a legacy of institutionalizing, in as many states and local jurisdictions as possible, the implementation of thoughtful, sound, and resilient approaches to addressing future risks.
- D. Provide resources to help communities plan and implement disaster recovery that makes them more resilient to future extreme weather events or other shocks, while also improving quality of life for existing residents.
- E. Fully engage community stakeholders to inform them about the impacts of climate change and develop pathways to resilience based on sound science.
- F. Leverage investments from the philanthropic community to help communities define problems, set policy goals, explore options, and craft solutions to inform their own local and regional resilient recovery strategies.

These six objectives are memorialized so that all parties to this Agreement, and all parties involved with carrying out this Agreement, better understand the purpose of the NRDC funds and fully implement the intent of the NDRC.

The NDRC NOFA defined “Partner” as a state, a unit of local government, a nonprofit entity, a private developer, a financial institution, or another entity chosen by the applicant to assist the applicant in applying for funding or in carrying out a funding award or project under this NOFA, and which submits a letter of intent and signs a partnership agreement to assist in that capacity, and which may be referenced by the applicant for purposes of demonstrating additional capacity for planning, design, financing, or implementation in applying for funding under the NOFA.

As part of the NDRC application, HCD provided executed partnership letters of intent and agreements, signed by the executive of the Partner entity, demonstrating a commitment to work collaboratively throughout the entirety of the grant application and implementation process and to undertake specified actions (see Exhibit F for copy of partnership agreements of those entities receiving NDR funding for completion of project activities under this Agreement). HCD has one formal partnership for the CRC project(s) with the County of Tuolumne. HCD has three (3) separate formal partnership agreements for the FWHP with: 1) SNC; 2) the United States Forest Service (“USFS”); and 3) the California Department of Forestry and Fire Protection (“CAL FIRE”). HCD has one partnership agreement for the BUF project with SNC. HCD has a number of other partnerships with other state agencies but those agencies will not be a party to the HCD NDR agreements. These less formal partnerships with Governor’s Office of Planning (“OPR”) and California Environmental Protection Agency (“CalEPA”) continue to participate with other partners via the “Core Team”. The Core Team is composed of HCD, SNC, USFS, and County of Tuolumne, CAL FIRE and as needed, representatives of OPR, CalEPA or other Partners. Core Team oversees HCD administration and Partner’s coordination of project development to

EXHIBIT A

ensure that the Program becomes operational, scalable and replicable.

This Agreement supplements the partnership agreement between SNC and HCD after the HUD award of funding. This Agreement will ensure all the financial and performance requirements related to CDBG-NDR project development and implementation are met. The Agreement must be executed before any CDBG-NDR project implementation takes place. Department certifies that Grantee may incur costs pursuant to the October 4, 2016 letter from HCD to Grantee which identifies HUD-approved pre-agreement costs incurred after January 21, 2016, in compliance with the FR 5936-N-01 and the e-mail communication from HUD to HCD received by HCD on September 28, 2016. Pursuant to FR-5936-N-01, Section V.A.1.g. (v), this Agreement and other associated partnership agreements require parties to comply with CDBG-NDR requirements, including requirements found in the Disaster Relief Appropriations Act, 2013 PL 113-2, Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5302, et seq.), the CDBG program federal regulations at 24 CFR part 570, FR-59-N-01 and any other applicable Federal Register notices, and commitments made in HCD's Phase 1 and Phase 2 NDRC applications.

As a condition of the State of California applying for CDBG-NDR funds, the State made certain certifications, which are shown in Exhibit F (Certifications), which involve at minimum:

- A. The State of California, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG–NDR funds, certifying that such entities possess the legal authority to carry out the project activities, in accordance with all applicable HUD regulations and requirements.
- B. The State of California and its Partners certifying that project activities to be administered with funds under the NDRC are consistent with the State of California's application.

HCD and HUD have entered into a federal grant agreement for CDBG-NDR funding. Under that agreement, HCD is the sole entity that will have access to HUD's Line of Credit Control System ("LOCCS") through the Disaster Recovery Grant Reporting ("DRGR") system. HCD will use DRGR to draw down CDBG-NDR funding. Under PL113-2, HCD is legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to the federal grant management of the funds, such as oversight, policy development, and financial management.

CDBG-NDR regulations and requirements impose specific funding restrictions (described in Exhibit D), which apply to HCD and also to any partners under this Agreement and their subrecipients or contractors in conjunction with any NDRC project activities.

The Program is made up of three different but interrelated activities. The Program is designed to create partnerships and practices needed to support resilience in the communities and natural systems in California's upper watersheds, which provide sixty (60) percent of the State's developed water resources.

2. California's Approach: The Community & Watershed Resilience Program

The following information describes the project activities selected for funding for the State of California's NDRC Program:

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A. **Community Resilience Center (“CRC”)**

The development and operation of at least one CRC in Tuolumne County that will serve multiple purposes including year-round needed services, such as, education and training facilities, commercial kitchen for local Meals-on-Wheels type programs, and children’s services such as the Head Start program. On a limited basis, the CRC can serve as an evacuation center/emergency shelter as well as a facility for California Conservation Corps program operations. CRC location selections will include robust public participation.

B. **Biomass Utilization Facility (BUF)**

The BUF project is intended to provide options for clean disposal of un-merchantable biomass removed from the forest, clean power, and wood products facilities for repurposing any merchantable biomass. This will be a two-phase development process, with the first phase including market and feasibility analysis with site selection, preliminary engineering & design, and preliminary environmental review. The second phase includes build-out and operation of the BUF.

C. **Forest & Watershed Health Program (FWHP)**

This green infrastructure program includes restoration of forest, meadows, watersheds and rangelands within the Rim Fire burn area, as well as expansion of existing fuel breaks and the creation of one new fuel break. Given the uncertain future of drought, climate change and wildfire, FWHP activities are designed to improve forest and watershed health and resilience against further environmental disturbances.

The foregoing recitals are a part of this Agreement.

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1. **Authority and Purpose**

This Standard Agreement ("Agreement") will provide official notification of the conditional reservation of funding made available by the federal Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013) ("Appropriations Act") and awarded under the National Disaster Resilience Competition as CDBG National Disaster Resilience ("CDBG-NDR") grants, Catalog of Federal Domestic Assistance number 14.272 – National Disaster Resilience Competition. This Agreement is between State of California, Department of Housing and Community Development ("HCD" or "the Department") and State of California Sierra Nevada Conservancy ("Grantee" or "Contractor").

HCD also administers the federal CDBG Program for non-entitlement jurisdictions ("CDBG" or "the Federal Program") pursuant to the provisions of 42 U.S. Code ("U.S.C.") Section 5301 et seq., 24 Code of Federal Regulations ("CFR") Part 570, Subpart I, and the California State CDBG Regulations, pursuant to 25 California Code of Regulations (CCR), Sections 7050 et seq. The Federal Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG - Community Development Block Grant Program.

For many years, the Department has been successfully administering the federal CDBG Program for non-entitlement jurisdictions, and has developed a boilerplate contract that it will use to make a CDBG-NDR award; this Agreement is built upon the HCD established non-entitlement boilerplate agreement language. In addition, the Department has developed a Grant's Management Manual ("GMM") specifically for CDBG-NDR and CDBG Disaster Recovery (DR) grants awarded to the Department from HUD. The CDBG-DR/NDR GMM is posted on the Department's webpage and contains all the most recent HCD forms, technical assistance and policies that Grantees need to administer CDBG-NDR or CDBG-DR grant agreements.

Hereinafter, CDBG-NDR refers to the CDBG National Disaster Resilience grant and all specific rules, regulations, policies and statutes related to CDBG and to specific CDBG-NDR funding.

In accepting this conditional reservation of CDBG-NDR funds by executing this Agreement, the Grantee agrees to comply with the terms and conditions of this Agreement, the representations contained in the CDBG-NDR application (the "Application") which contains the Grantee's letter of intent to be a partner and initial partnership Agreement (see Exhibit F) for this funding allocation, which is incorporated herein, by reference, and the requirements of the authorities cited above and any other terms and conditions imposed by HUD, HCD or the State. For purposes of this Agreement, use of the term "Contractor" shall be synonymous with the term "Grantee".

2. **Eligible Activities and Costs**

Grantee shall only use funds under this Agreement for eligible CDBG-NDR activities and costs as authorized under existing Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended by the Appropriations Act as well as activities specified in the NDRC NOFA, and awarded CDBG-NDR grants, as listed in October 4, 2016 letter from HCD to Grantee and the September 26, 2016 e-mail from HCD to Grantee and in compliance with other requirements or conditions which may be imposed by HUD, from time to time. The eligible activities under this Agreement are described below in Section 5.

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Eligible costs for General Administration and project activities under this Agreement must comply with the provisions of federal Office of Management and Budget (“OMB”) regulations in 2 CFR Part 200, subpart E, as may be amended from time to time. The total amount of funds drawn during the entire Agreement term must be for actual and reasonable costs incurred according to the United States Office of Management and Budget’s Uniform Guidance (issued December 26, 2013). Source documentation for all time, materials and services costs must be maintained in the Grantee's administration files.

Eligible costs are also defined in HUD CPD Memo 13-07. Eligible planning costs are defined in 42 U.S.C. 5305(a) (12).

The OMB Uniform Guidance will supersede requirements from OMB Circulars A-87, A-133 and A-122. OMB Uniform Guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" is located at 2 CFR Chapter I and Chapter II, Part 200. OMB Circular A-122, "Cost Principles for Non-Profit Organizations" is located at 2 CFR, Part 230.

If Grantee wishes to be reimbursed for indirect costs, then HCD must receive a copy of an approval letter from the appropriate cognizant agency.

3. **Meeting CDBG National Objective**

General Administration activities and Planning Activities funded under this Agreement are assumed to meet a National Objective. Grantee must document all eligible staff time and materials used to conduct General Administration and Planning Activities funded under this Agreement, but does not need to document CDBG-NDR National Objective compliance.

Project activity costs expended by the Grantee as part of facilitating implementation of the activities under this Agreement will require documentation of eligible costs for the Work described in Section 5, however per the NDRC application, National Objective compliance is not achieved until the project activity is completed and residents living within the facility service area are receiving benefits from the facility. Therefore, for each project activity funded under this Agreement, the Grantee must document completion of the facility and proposed public services and resources are available from within the completed facility. This documentation is required in order to be in compliance with the National Objective requirement and to provide information on beneficiaries of the project. Beneficiaries must predominantly be residents of the County located in the facility’s service area. National Objective compliance is further outlined in Exhibit D, Section 4, of this Agreement.

4. **Public Benefit Standards for Economic Development (ED)**

Per 24 CFR 570.482(f) and (g) and 570.483(b)(4), the Grantee is responsible to demonstrate fulfillment of the public benefit standards on each CDBG Economic Development (ED) activity under Sections 105(a)(2), (14) and (17) of the Act. Federal Register Notice FR 5936-N-01 waives the public benefit subsidy requirements for CDBG-NDR projects. However, documentation of public benefit, creating new permanent full time equivalent job positions as a direct result of the BUF development, must be documented through the end of the grant term. The FWHP will not be required to meet public benefit standards because it is not considered a CDBG economic development activity. Additional information on public benefit is included in Exhibit D, Section 6. Economic Development activities under Section 105(a)(17) and (14) must also comply with CDBG’s six underwriting standards, pursuant to 24 CFR Part 570.482(e).

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5. Scope of Work and Contract Amount

- A. The Grantee shall perform the funded activities described in the Scope of Work (Work) below. These activities were included in the State of California's NDRC Application to HUD, which is on file with the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Suite 500, Sacramento, California, 95833, and which is incorporated herein by reference. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by HUD are hereby incorporated as part of the Application. HCD reserves the right to require the Grantee to modify any or all parts of the Work in order to comply with CDBG-NDR requirements. HCD reserves the right to review and approve all Work to be performed by the Grantee, its contractors, and subrecipients under this Agreement. Any proposed revision to the Work by the Grantee must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by HCD in writing.
- B. For the purposes of performing the Work, HCD agrees to reimburse Grantee up to the amounts identified below. Unless amended, HCD shall not be liable for any costs for Work in excess of these amounts, nor any unauthorized or ineligible costs.
- C. The grant General Administration activity, as described in the Application, shall consist of:
- 1) General Administration activities include Agreement file management, reporting, payment processing, audit/monitoring, grant closeout, and compliance with federal overlays not specific to any project activity, for example, citizen participation, fair housing, equal opportunity and others. Grantee shall work closely with HCD staff and HCD's technical assistance consultant as part of implementing General Administration activities.
- Grantee shall be responsible for producing and maintaining any reports and reviewing and processing all payment requests required for activities under this Agreement. Grantee shall establish and maintain adequate record keeping systems in accordance with all CDBG and OMB regulations cited in this Agreement, which may include or be in addition to the grant management software being implemented by HCD's technical assistance consultant, which the Grantee is required to use as part of carrying out the CDBG-NDR funded work. Files shall allow for compliance monitoring by outside agencies, as well as for annual audit purposes.
- D. The grant Project Management activities to be performed by Grantee, as described in the NDRC Application, shall consist of:
- 1) Grantee shall manage and coordinate the Forest and Watershed Health Project (FWHP), which consists of the following activities:
 - a) Restoration and reforestation;
 - b) Biomass removal and thinning;
 - c) Strategic fuel breaks;
 - d) Rangeland improvements; and,

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- e) Noxious weed treatment.
- 2) Grantee shall manage the Biomass Utilization Facility (BUF) Planning and Implementation activities in coordination with the Core Team. Those activities will be completed in two phases:
- a) Phase 1 – Feasibility Study:
 - i. Pre-development, including feedstock assessment;
 - ii. Site selection;
 - iii. Architectural preliminary design and engineering;
 - iv. Assist HCD with procurement processes;
 - v. Permitting process planning; and,
 - vi. Coordinate and assist environmental review.
 - b) Phase 2 – Construction:
 - i. Oversee build-out; and,
 - ii. Oversee start-up operations/implementation.
- 3) With respect to the activities described in Item 1, above, HCD will contract with USFS, which will be responsible for performing those activities. Approved funding for the activities will flow directly from HCD to USFS. Grantee will be a third party to agreements between HCD and USFS. USFS will be responsible for either performing or contracting for implementation of FWHP activities.
- 4) With respect to Item 1.c, above, HCD will contract with CAL FIRE, which will be responsible for obtaining landowner approval, developing harvest plans, and assisting in completing environmental reviews for strategic fuel break expansion and construction. Approved funding for the activities will flow directly from HCD to CAL FIRE. Grantee will a third party to agreements between HCD and CAL FIRE. CAL FIRE will be responsible for facilitating the fuel break expansion work that will be implemented by the USFS.

Grantee will perform the following project coordinator activities:

- a) Assist in development of the implementation plan;
- b) Review and approve for submission to HCD all invoices submitted by USFS and its subcontractors;
- c) Advise and support USFS in its implementation activities;
- d) Serve as local liaison for affected stakeholders, including conducting public meetings to seek input regarding proposed activities and to build consensus for finalized plan;
- e) Coordinate roles and responsibilities for various project partners including USFS, CALFIRE, etc.;

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- f) Work with USFS and CALFIRE to identify leverage funding; and,
 - g) Work with and be assisted by HCD's technical assistance consultant.
- 5) With respect to the activities described in Item 2, above, HCD will conduct procurements for the feasibility study and construction phases. HCD will contract directly with the successful bidders. Approved funding will flow directly from HCD to the contractors. Grantee will assist HCD with the procurement process and perform the following management activities:
- a) Feasibility Study:
 - i. Assist HCD in the development of a Request for Proposals (RFP) for a feasibility study to design and construct a wood products or biomass utilization facility;
 - ii. Assist HCD in awarding a contract to develop the feasibility study;
 - iii. Oversee the contractor engaged to develop the feasibility study; and,
 - iv. Inspect and approve all draft and final reports.
 - b) Construction:
 - i. Assist HCD in the development of a Request for Proposals (RFP) to secure a developer or other entity to implement and/or design and construct a wood products or biomass utilization facility based upon the results of the feasibility study;
 - ii. Assist HCD in awarding a contract or grant agreement to a developer or other entity to implement the design and construction of a wood products or biomass utilization facility campus on a site in Tuolumne County; and,
 - iii. Oversee the construction process to ensure that the project meets the CDBG-NDR national objectives and is operational by the end of the grant agreement period.
- 6) With respect to the activities described in items 1 and 2, above, Grantee shall perform the following administrative activities, which may/will also be described in the 3-party agreements mentioned in item 1 above:
- a) Facilitate the reporting and payment processes used by recipients of CDBG-NDR funding.
 - b) Facilitate and coordinate required reports.
 - c) Facilitate and coordinate requests for payment by recipients of CDBG-NDR funding.
 - d) Monitor systems used by implementing agencies to determine their sufficiency to verify eligible use of funding.
 - e) Establish and maintain Grantee's recordkeeping systems to allow monitoring by other agencies and for annual audit purposes.

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- f) Work closely with HCD technical assistance consultant to ensure that contractors, grantees, subgrantees, or subrecipients are in compliance with applicable requirements of federal and state laws, regulations, rules, and guidelines regarding: contracts, grants, or agreements awarded by HCD; appropriate accounting processes and policy review; procurement processes; reporting requirements; timeframes and performance measures; and developing an outreach plan.
- g) Inspect and monitor grant activities to determine compliance with federal and state laws, regulations, rules, and guidelines relative to use of CDBG-NDR grant funds.
- h) Review all agreements with contractors, grantees, subgrantees, and subrecipients to ensure compliance with applicable federal and state requirements.
- i) In coordination with HCD's contracted Labor Consultant, monitor all contractors and subcontractors for compliance with applicable provisions of federal and state labor laws.
- j) Review and approve for submission to HCD for final review and approval of all invoices submitted by subgrantees/contractors for reimbursement.
- k) Forward all invoices, after compliance review, to HCD for approval and processing by HUD.
- l) Provide monthly and quarterly reports that include:
 - i. Quarterly Accomplishment Reports;
 - ii. Annual Grantee Performance Reports; and,
 - iii. Wage Compliance Reports prepared by Labor Consultant.
- 7) In addition to working with procured consultants associated with the project's development, Grantee and all procured consultants shall work with and be assisted by HCD staff and HCD's technical assistance consultant as part of implementing the CRC project. Grantee is responsible for and shall ensure the completion of the Work in accordance with the criteria set forth above. HCD reserves the right to review and approve all performed or contracted Work in relation to this Agreement. Any proposed revisions to the Work shall be submitted in writing for review and approval by HCD and the Core Team in their discretion. If approved, Grantee shall sign an amendment to this Agreement.

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6. Budget

General Administration and Project Management amounts cannot exceed: \$1,518,134.

Activity Amount Matrix Code	<u>BUF and FWHP Project Activity Description</u>	National Objective Code	
21A	General Administration	None	\$1,129,383
Total Costs			\$1,129,383

Activity Amount Matrix Code	<u>BUF Project Activity Description</u>	National Objective Code	
20A	Planning for BUF Pre-Development	None	\$63,100
17C	Commercial Facility BUF	LMJ	\$147,234
Total Costs			\$210,334

Activity Amount Matrix Code	<u>FWHP Project Activity Description</u>	National Objective Code	
03	Public Improvement FWHP	Urgent Need	\$178,417
Total Costs			\$178,417

7. Budget Line Item Adjustments

Line item adjustments made in accordance with the following:

- A. The Department may approve a request from the Grantee to reallocate funds between the authorized activities and itemized amounts stated in Section 6 of this Exhibit A, except that no additional grant funds moved into General Administration given five percent (5%) cap on administration funding required by HUD and the Stafford Act. Any changes in budget line items during the term of this Agreement can be made only with the Department's prior written approval in its sole discretion.

In the event that there are excess funds remaining in the budget after the completion of the approved activities, all such excess funds shall be retained by or returned to HCD, as

EXHIBIT A

the case may be, so that HCD may reallocate such funds to other CDBG-NDR project activities if HUD so approves.

- B. If HUD changes an activity matrix code(s) or if there is an error in recording the activity code, the HCD will inform the Grantee in writing and the correction shall not require an amendment to this Agreement.

8. Limitation on Repayment of Ineligible Costs

- A. In no event shall the Grantee's monetary liability to HCD arising from or on account of Grantee authorizing, incurring or paying for ineligible costs hereunder exceed the Budget amount set forth in Exhibit A, Section 6 (i.e., \$1,518,134), as such amount may be adjusted from time to time.

9. Other Funding Sources

Grantee shall report on the value of other funding contributions included as leverage for each project activity via the Project Set-Up/Completion Report. The Project Set-Up/Completion Report is the report, which conveys the information needed to establish a project-specific account in the DRGR system. This information may also be entered into the NDR web-based grant management software system, pursuant to data entry instruction from HCD's technical advisory consultant, by the Grantee. Grantee shall validate eligibility of leverage with HCD's CDBG-NDR technical assistance provider. The Project Set-up/Completion Report is used to convey any changes to the project-specific accounts, and report the final project-specific information into DRGR.

10. Term of Agreement, Period of Performance and Deadlines, Date of Completion

The term of this Agreement will begin upon date of execution by HCD and end on the date listed on the first page of this Agreement. With the exception of the Grant Closing Requirements set forth in Exhibit B, Section 6, the Grantee shall complete the project and general administration activities as set forth below.

Biomass Utilization Facility (BUF):

- A. BUF project shall be completed and operational by: **06/30/2022**
- B. HUD federal expenditure date requires project funds to be expended by: **06/30/2022**
- C. HUD federal expenditure date requires general administration funds to be expended by: **07/31/2022**

Forest and Watershed Health Project (FWHP):

- A. FWHP project activities shall be completed by: **06/30/2022**
- B. HUD federal expenditure date requires project funds to be expended by: **06/30/2022**
- C. HUD federal expenditure date requires general administration funds be expended by: **07/30/2021**

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Final Request for Funds (“RFF”) shall be submitted 30 days after the expenditure date listed in above subparagraphs.

This Agreement will expire on: **09/30/2022**

Performance measure requirement deadlines during the period of performance are provided in Exhibit B, Section 7. This Section also includes language relating to penalties for non-performance.

11. State Contract Manager

The State Contract Manager for this Agreement represents the Department and its Division of Financial Assistance. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be in writing and sent via first class mail to the State Contract Manager at the following address:

Contract Manager, CDBG-NDR
Division of Financial Assistance, Suite 400
Department of Housing and Community Development
P.O. Box 952054
Sacramento, California 94252-2054

12. Grantee Contract Administrator

The Grantee's Contract Administrator (must be a Grantee employee) for this Agreement is listed below. Unless otherwise informed, Grantee shall send any notice, report, or other communication required by this Agreement by first class mail to the following address:

Grantee:	State of California, Sierra Nevada Conservancy (SNC)
Contract Administrator:	Ms. Angela Avery Chief, Policy and Outreach Division 11521 Blocker Drive, Suite 205 Auburn, CA 95603
Phone:	(530) 823-4681
Email:	Angela.avery@sierranevada.ca.gov

EXHIBIT B

SET-UP/COMPLETION AND PAYMENT PROVISIONS

1. Definitions

- A. "Activity" includes, without limitation, the following HUD eligible activities as per the Act:
- 1) Planning (Section 105(a)(14))
 - 2) Business Financial Assistance (Section 105(a)(17))
 - 3) Public Improvements (Section 105(a)(2))
- B. "General Administration" refers to eligible administrative expenses as provided in Sections 105(a)(13) of the Act (42 USC 5305(a)(12)).
- C. "Funds Disbursement" refers to the forms and processes required to request the drawdown of CDBG-NDR funds (Request for Funds ("RFF) must be in the minimum amount of \$1,000, except final RFF for balance of grant funds).
- D. "State Program" means the Community and Watershed Resilience Program as outlined in Phase 1 and Phase 2 of the Application submitted by HCD on behalf of the State of California.
- E. "Project" means the HUD approved, CDBG-NDR eligible activity carried out at an approved site with an approved scope of work.
- F. "Project Set-Up" refers to the forms and processes required to reserve funds associated with specific Projects for CDBG-NDR funds in DRGR.
- G. "Project Completion" refers to the form and processes required to report a Project as "complete." Grantee must submit a Project Completion Report to the Department with, or prior to, the final disbursement request. For any activity that is not finished or completed, or does not meet a National Objective, or for which a Project Completion Report representing the full amount of funds drawn cannot be submitted in DRGR, all CDBG NDR activity funds for the Project must be repaid to the Department.

Each Project or Program Activity must meet a National Objective, pursuant to 24 CFR 570.483 and CDBG-NDR regulations to be eligible.

2. General Conditions Clearance and Set-Up Requirements

Grantee shall submit the following by for the Department's approval prior to Project Set-Up:

- A. The "General Conditions Clearance Checklist" for each funded activity, on a form provided by the Department, and any required supporting documentation.
- B. Any other documents, certifications, or evidence deemed necessary by the Department prior to Project Activity Set-Up.

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3. Individual Project or Activity Set-Up/Completion Requirements

Grantee shall submit the following documentation to the Department:

- A. A Project Set-Up Report for each individual project or program.
- B. All other documents, certifications, or evidence deemed necessary by the Department as part of clearing general conditions for the project, i.e., prior to Project Set-Up and Completion Report.
- C. Project Set-Up Report must contain a DUNS number for each entity involved in implementation of CDBG-NDR program or project activities.

4. Expenditure of Funds

A. General Administration

Costs for general administration may neither be incurred nor funds expended until execution of this Agreement by the Department, unless the Grantee has received prior written approval from the Department. Department certifies that Grantee may incur costs pursuant to October 4, 2016 letter from HCD to Grantee which identifies HUD-approved pre-agreement costs incurred after January 21, 2016, in compliance with the FR 5936-N-01 and the e-mail communication from HUD to HCD received by HCD on September 28, 2016.

B. Compliance with the Federal Office of Management and Budget (OMB) OMB Uniform Requirements, 2 CFR 200 Audit Requirements

Funds will not be disbursed to any Grantee identified by the State Controller's Office ("SCO") as non-compliant with the Federal Single Audit Act, as described in OMB 2 CFR 200. 501, 505, and 511 and OMB Uniform Guidance, until such compliance is demonstrated to the satisfaction of the Department.

C. Grant Administration

The Grantee shall administer this Agreement in accordance with the provisions of Section 7097 through and including Section 7126 of Title 25 of the CCR. Grantee shall also ensure that all grant administration costs are eligible per Exhibit A, Section 2 of this Agreement.

5. Method of Payment

The Grantee shall submit all Request For Funds ("RFF") forms to the Contract Manager specified in Exhibit A, Section 10, or to any other address of which the Grantee has been notified in writing. The Department shall not authorize payments unless it has determined the activity costs have been incurred, the represented work has been performed and completed, and the costs are eligible and in compliance with the terms of this Agreement.

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RFF shall be submitted on the current versions of the Department's CDBG-NDR forms. Grantee shall choose one method of payment, either Reimbursement or Advances for use under this Agreement.

A. Reimbursements

- 1) Grantee shall work with HCD's technical assistance consultant to set up accounting and recordkeeping systems for themselves and other agencies involved in CDBG-NDR activity implementation to ensure documentation of all eligible costs is on file prior to submitting an RFF.
- 2) All CDBG-NDR Program Income ("PI") on deposit must be expended first prior to requesting grant funds under this Agreement.
- 3) Payment shall be made as progress payments for Work performed. Grantee shall request payment for Work completed on forms provided by the Department and subject to such documentation as the Department may require.
- 4) The Department shall not authorize payments unless it determines that the CDBG-NDR funds were expended by Grantee in compliance with the terms and provisions of the CDBG-NDR NOFA, Federal Register Notice FR-5936-N-1, and this Agreement.

B. Advance Payments

HCD will not allow for any advances under this Agreement. RFF for reimbursement of eligible costs is the sole method of payment.

C. Timing Final Payment Requests

- 1) Grantees Final Reimbursement Request: Grantee shall submit a final RFF for reimbursement (no advance allowed) of final costs no later than sixty (60) calendar days after expenditure deadlines of this Agreement shown in Exhibit A, Section 9.
- 2) Return of Unexpended Funds: All funds received by the Grantee but not expended by the expenditure deadline of this Agreement must be accounted for and returned. Funds shall be returned in accordance with the current State CDBG DR/NDR Grant Management Manual ("GMM"). All returned funds will be disencumbered.
- 3) All Funds Not Previously Requested: If the final payment request for activity costs expended during the term of this Agreement has not been received by the Department by the expenditure deadline in Exhibit A, Section 9, the Department shall disencumber any funds remaining and grant funds will no longer be available for payments to the Grantee. Thus, time is of the essence with respect to Grantee's submittal of the final payment request.

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6. Grant Closing Requirements

- A. Grantee shall work with HCD's technical assistance consultant, at HCD's direction, to ensure Grantee submits the following close out documents prior expiration of this Agreement.
- 1) Final Set-Up / Completion Report, received and approved by the Department;
 - 2) Closeout Certification Letter;
 - 3) Final Quarterly Performance and Expenditure Report (QPER);
 - 4) Final Annual Performance Report (APR);
 - 5) Final Labor Standard Reports; and,
 - 6) Evidence, satisfactory to the Department, of compliance with any other Special Conditions or compliance requirements of this Agreement.

7. Performance Measures and Penalties for Forest and Watershed Health Project (FWHP)

- A. Per Federal Register Notice FR-5936-N-01, all agreements that are paid for with NDR funding must have performance measure and penalties. Grantee is responsible for project administration and coordination of the work performed under the three-party agreements with USFS and CAL FIRE. If circumstances arise in which the performance measures cannot be met, then Grantee must work closely with HCD to ensure the FWHP proceeds to completion prior to expiration of the Agreement. If Grantee becomes aware of potential measure barriers for USFS or CAL FIRE, Grantee will notify HCD and will work in cooperation with USFS or CAL FIRE to mitigate or eliminate the barriers and/or to request an extension of time prior to the performance measure deadline. The following performance measures are included in this Agreement and in each three-party agreement:
- 1) No later than six (6) months after execution of this agreement, two three-party agreements will be executed, one with USFS and one with CAL FIRE to implement the forest and watershed health activities. SNC will be a party in those agreements. Within this same time period Grantee will assist HCD in conducting a federal Request for Proposals (RFP) process to allow HCD to secure the services of a labor standards monitoring consultant that will monitor construction activities under three-party agreements.
 - 2) No later than six (6) months after clearance of CEQA and HUD execution of authority to use grant funds on the NEPA environmental review record(s), Grantee will take steps to ensure that USFS and CAL FIRE have procured and entered into agreements with qualified subcontractors (California Conservation Corps., contractors) to conduct eligible work in the forests.
 - 3) No later than six (6) months after USFS and CAL FIRE enter into implementation agreements to perform the forest and watershed health activities, pursuant to the NDR Action Plan and any amendments thereto, work shall begin.

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- 4) Per Exhibit A, Section 9, all FWHP work will be completed by June 30, 2022.
- B. Penalties: If any FWHP performance measure listed above is not met, as a penalty (within 30 days of being missed), Grantee shall work with USFS or CAL FIRE, as appropriate, to submit to the Department a mitigation plan specifying the reason for the delay, the actions to be taken to complete the task that is the subject of the missed deadline, and the date by which the completion of said task will occur. The Department reserves the right to withhold further payments to Grantee until such time as a satisfactory progress is made per C. below. HCD reserves all rights and remedies available to it in case of a default by Grantee of its responsibilities and obligations under the terms of this Agreement.
- C. Delays: The Department acknowledges that Grantee's ability to meet the various performance measure deadlines referenced in Section 7A above is in part based on the timely performance by USFS and CAL FIRE of their respective obligations under the three-party agreements. In the event that either USFS and/or CAL FIRE fail to timely perform their obligation and the direct result of such failure results in the missing of a measure deadline, then the deadline for Grantee to meet such performance measure shall be extended on a day for day basis for a period of time equal to the number of days of delay in performance by USFS or CAL FIRE. This extension applies solely to delays caused by USFS or CAL FIRE, as applicable, and shall not apply to any delays on the part of Grantee, or any delays caused, in whole or in part, by Grantee. Grantee shall use all reasonable efforts to ensure timely completion of obligations under the three party agreements. Grantee shall notify HCD immediately upon acknowledgement of delays to performance measure deadlines. Grantee shall do everything within its control to ensure delays are minimized.

8. Performance Measures and Penalties for Biomass Utilization Facility (BUF)

- A. Per FR-5936-N-01, all agreements that are paid for with CDBG-NDR funding must have performance measures and penalties. Grantee is responsible for activity administration and project management, so these performance measures apply to them as well as to implementation agencies under three-party agreements. If there are circumstances that arise in which a performance measures cannot be met, then Grantee must work closely with HCD to ensure the BUF project proceeds to completion prior to expiration of the Agreement. The following performance measures are included in this contract and will be included in all future three-party agreements related to BUF development:
- 1) No later than six (6) months after execution of this Agreement, in order to carry out the implementation of the Biomass Utilization Facility (BUF) Project, pursuant to the NDR Action Plan and any amendments thereto, as posted on the NDR website, Grantee shall procure the services of one or more consultants to analyze the feasibility of the BUF project. These project consultants will be hired using federal and state procurement standards.
 - 2) The biomass consultant's final feasibility analysis and the engineer's preliminary plans and specifications for build out of a biomass facility in the County of Tuolumne will be done no later than 18 months after the consultant contracts with Grantee are executed.

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The funding mechanism for the BUF will be determined based on the recommendations of the feasibility study. In the event implementation of the BUF is to be carried out through the CDBG Economic Development loan process, HCD or Tuolumne County (“Lending Entity”) will be the lender of the CDBG-NDR development funding. Grantee will facilitate CDBG-NDR compliance reporting during construction and implementation and assist the development team in managing the construction process to allow project to meet completion deadlines.

- 3) No later than six (6) months after final feasibility analysis and preliminary designs are completed, Grantee shall assist HCD in conducting an RFP process to secure a project developer to build and operate the biomass facility.
 - 4) No later than six (6) months after the Lending Entity’s execution of its agreement with a developer, one or more final sites shall be placed under “option to purchase” for the proposed biomass facility, preliminary funding commitments will be in place, preliminary facility designs will be updated and the CEQA/NEPA environmental review processes shall be started on the most favorable site.
 - 5) No later than three (3) months after completion of the NEPA and purchase of site, final plans and specifications will be completed and final funding commitments will be in place.
 - 6) No later than three (3) months after final plans are done; the construction contractor will be awarded funds for start of BUF project construction.
 - 7) All construction will be completed within 18 months of contract signing and facility will be operational.
 - 8) Per Exhibit A, Section 9, by June 30, 2022, the project shall be operational and all final project funds requests must be submitted prior to June 30, 2022, the state expenditure deadline, unless an amendment is processed by HCD.
- B. Penalties: If any BUF performance measures listed above is not met, as a penalty (within 30 days of being missed), Grantee shall submit to the Department a mitigation plan specifying the reason for the delay, the actions to be taken to complete the task that is the subject of the missed deadline, and the date by which the completion of the said task will occur. The Department reserves the right to withhold further payment until such time as a satisfactory mitigation plan is approved. Furthermore, the Department shall reserve all rights and remedies available to it on account of a default by Grantee under the terms of this Agreement.
- D. Delays: The Department acknowledges that Grantee’s ability to meet the various performance measure deadlines referenced in Section 7A above is in part based on the timely performance by third party consultants that are tasked with the feasibility and planning of the BUF in phase one of the project’s development as well as construction and implementation of the BUF in phase two. In the event that either consultant does not conduct timely perform their obligations under their agreements with HCD and the direct result of such failure results in the missing of a performance measure date in this agreement, then the date for Grantee to meet such measure shall be extended on a day

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for day basis for a period of time equal to the number or days of delay in performance by third party consultants. This extension applies solely to delays caused by BUF third party consultants, as applicable, and shall not apply to any delays on the part of Grantee, or any delays caused, in whole or in part, by Grantee. Grantee shall use all reasonable efforts to ensure timely completion of obligations under the three party agreements. Grantee shall notify HCD immediately upon acknowledgement of delays to performance measure deadlines. Grantee shall do everything within its control to ensure delays are minimized.

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CDBG-NDR TERMS AND CONDITIONS

1. Effective Date and Commencement of Work

This Agreement is effective upon approval by the Department.

- A. Grantee cannot incur any costs until the execution of this Agreement, unless prior written approval has been given by HCD. Written approval for Grantee to incur pre-agreement administrative costs is contained in a letter from HCD to Grantee dated October 4, 2016, pursuant to an e-mail from HUD to HCD dated September 28, 2016, authorizing certain work to be performed after January 21, 2016 in compliance with FR-5936-N-01.
- B. For certain project activities, HCD must receive the Authority to Use Grant Funds from HUD prior to the commitment and/or commencement of project work.
- C. A Grantee cannot be reimbursed for any project costs until the Department has issued written clearance of all general conditions and any special conditions required.

2. Sufficiency of Funds

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays, which would occur if this Agreement were executed after the determination was made.
- B. As noted in Section 38 below, this Agreement is valid and enforceable only if sufficient funds are available to the Department by the United States Government for the purposes of the CDBG-NDR Program. In the event there is a withdrawal of, or any limitation on, the Department's expenditure authority or any funding of the Program, the Department may elect to terminate this Agreement, in whole or in part, in its sole discretion and upon ten (10) days written notice to Grantee. In addition, this Agreement is subject to any additional restrictions, limitations, conditions or statute enacted by the Congress or State Legislature, promulgated in State or federal regulations or any State or federal statute, as now in effect and as may be amended from time to time which may affect the provisions, terms, or funding of this Agreement in any manner.

3. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

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- C. In the event that any legal or administrative claim or action (“Claim”) is taken, filed, or asserted by or against any party to this Agreement, or any contractor or subcontractor thereof, or with respect to the NDR project(s), the Department may, in its sole and absolute discretion, and in addition to any other rights or remedies it may have hereunder, elect to either suspend or terminate this Agreement, in whole or in part, or to proceed forward under this Agreement. The Department shall have a period of ninety (90) days from its receipt of notice of a Claim to notify Grantee in writing of its decision to either suspend, terminate, or proceed forward. In the event the Department elects to terminate this Agreement, Grantee shall promptly submit its final Funds Request, together with those of its contractors and subcontractors, to the Department for processing, and upon payment thereof, the parties shall have no further rights or obligations under this Agreement, except for those rights and obligations which are expressly stated as surviving such a termination. Grantee shall ensure that all contracts or agreements with its contractors or subcontractors shall contain a provision similar to this section 4(C).

4. **National Objectives**

All grant project activities performed under this Agreement must be CDBG-NDR eligible, have eligible costs and be documented as meeting one of the National Objectives of the HUD regulations as included in the Application authorized by HUD. For the CRC project activities under this Agreement, HUD must provide a waiver before it will be considered eligible as a low-moderate income area benefit project. National Objective standards are found under Title I of the Housing and Community Development Act of 1974, Section 104(b)(3), as amended and 24 CFR Part 570.483. Waivers of National Objective Standards are published over the course of the CDBG-NDR Program. For the purposes of the NDR grant, General Administration and Planning Activities are assumed to meet a CDBG National Objective.

- A. Activity primarily benefits HUD defined low- or moderate-income (“LMI”) person (family) or household. The term low- or moderate-income is defined as a family or household having an annual income of no more than 80% of the median area income on a county level, which is annually determined by HUD, per 24 CFR, Part 570.483(b); unless a formal waiver is provided in a CDBG-NDR federal register notice.
- B. Activity eliminates conditions of Slum or Blight (on a spot or area basis) is an eligible CDBG National Objective. Slum and Blight's definition is found in 24 CFR, Part 570.483(c). The use of Slum or Blight is not eligible under CDBG-NDR without prior Departmental written approval.
- C. Meeting an Urgent Need is an eligible CDBG National Objective under 24 CFR, Part 570.483(d). This National Objective was provided a waiver under Federal Register Notice FR-5936-N-01, Section V. A. 1. d. for activities using Urgent Need.

5. **Public Benefit Standards for Special Economic Development (ED) Activities**

Pursuant to 24 CFR 570.482(f), (g) and 570.483(b)(4), the Grantee is responsible for providing fulfillment of HUD required public benefit standards when activities under this agreement qualify as special ED activities. The NDRC NOFA and Federal Register Notice FR-5936-N-01 waives the public benefit subsidy standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f)(1), (2), (3), (4)(i), (5), and (6), and 570.209(b)(1), (2), (3)(i), (4), for economic development activities designed to create or retain jobs when assisting for profit businesses (including, but not limited to, long-term loans, short-term loans, and grants for infrastructure projects). However, recipients of grant

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funding shall report and maintain documentation on the creation and retention of total jobs; the number of jobs within certain salary ranges; the average amount of assistance provided per job, by activity or program; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs. HUD is also waiving 570.482(g) and 570.209(c) and (d) to the extent these provisions are related to public benefit.

These special ED activities must also comply with CDBG's six (6) underwriting standards, per 24 CFR Part 570.482(e).

6. **Waivers**

No waiver or any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Grantee of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

7. **Uniform Administrative Requirements**

The Grantee and all other recipients of grant funds shall comply with the policies, guidelines and requirements of OMB Uniform guidance at 2 CFR 200 the Uniform Administrative Requirements, effective July 1, 2015.

8. **Non-Performance**

In the event that the National Objective requirements are not met due to any action or inaction of Grantee, the Department may, in its sole discretion, require reimbursement of part or all project funding disbursed to Grantee under this Agreement, whether before or after the date of non-compliance.

Prior to closing out this Agreement, the Department will review the actual National Objective and/or Public Benefit achievements of the project activities with Grantee.

9. **Affirmatively Furthering Fair Housing**

Per Federal Register Notice FR-5936-N-01, Section 3: V.C.1.b., all activities under this Agreement and under any and all associated agreements, shall be carried out in a manner that affirmatively furthers fair housing, as required by section 808 (e) (5) of the Fair Housing Act, as amended (42 U.S.C. 3608 (e) (5)).

10. **Equal Opportunity Requirements and Responsibilities**

Grantee and its contractors and subrecipients shall comply with all of the following:

- A. Title VI of the Civil Rights Act of 1964: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.

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- B. Title VII of the Civil Rights Act of 1968 (The Fair Housing Act): This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing. Grantee will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).
- C. Restoration Act of 1987: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a program or activity which does not directly benefit from such assistance.
- D. Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 5309]: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
- E. The Fair Housing Amendment Act of 1988: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- F. The Housing for Older Persons Act of 1995 (HOPA): Retained the requirement that the housing facilities must have one person who is 55 years of age or older living in at least 80% of its occupied units. The act also retained the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing for persons 55 or older.
- G. The Age Discrimination Act of 1975: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 101 KAR 1:350 Paragraph 11; 101 KAR 1:375 Paragraph 2(3); 101 KAR 2:095 Paragraphs 6 and 7.
- H. Section 504 of the Rehabilitation Act of 1973: It is unlawful to discriminate based on disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

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- I. Americans with Disabilities Act of 1990 (ADA): This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- J. Executive Order 11063: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
- K. Executive Order 11259: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
- L. Equal Employment Opportunity Act: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
- M. Immigration Reform and Control Act (IRCA) of 1986: Under IRCA, employers may hire only persons who may legally work in the U.S., i.e., citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9).
- N. Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.
- O. Vietnam Era Veterans Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
- P. Executive Order 11246: This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

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11. **Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance (“Section 3”):**

The Grantee will comply with Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 1701u), and implementing 24 CFR, Part 135. The responsibilities of the Grantee are outlined in 24 CFR Part 135.32 as follows:

- A. Implementing procedures designed to notify Section 3 residents about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
- B. Notifying potential contractors for Section 3 covered projects of the requirements of this Part, and incorporating the Section 3 clause set forth in Section 135.38 in all solicitations and contracts.
- C. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities such as described in the appendix to this part, as appropriate, to reach the goals set forth in Section 135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 residents and contract award to Section 3 business concerns that exceed those specified in Section 135.30.
- D. Assisting and actively cooperating with HUD/HCD in obtaining the compliance of contractors and subcontractors with the requirements of this part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- E. Documenting actions taken to comply with the requirements of this part, the results of those actions taken and impediments, if any.
- F. If Grantee distributes funds for Section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in Section 135.30 regardless of the number of local governments receiving funds from the Section 3 covered assistance which meet the thresholds for applicability set forth at Section 135.30. The State must inform units of local government to whom funds are distributed of the requirements of this part; assist local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

12. **Environmental Compliance**

The Grantee assist HCD, HCD technical assistance consultant and any environmental compliance consultant/engineer, should one be procured, so that National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements are met. Under federal regulations, the Grantee cannot act as lead agency for NEPA, as the Department is required to be lead agency for the CDBG-NDR funds. Grantee shall not assume

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the role of lead agency for any CEQA review process. The Department or one of its designees shall assume the lead agency role for CEQA. Grantee will assist the Department in the CEQA/NEPA processes and obtaining Authority to Use Grant funds from HUD staff prior to incurring any project implementation costs.

13. **Clean Air and Water Acts**

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

14. **Relocation, Displacement, and Acquisition**

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any assistance is carried out by the Grantee and assisted in whole or in part by funds allocated by CDBG. For projects where there will be temporary or permanent displacement, the Grantee must submit signed General Information Notices from each tenant who was residing in the project at the time of Application submittal.

15. **Compliance with State and Federal Laws and Regulations**

- A. The Grantee, its contractors and subrecipients shall comply with the policies, guidelines and requirements of OMB Uniform guidance at 2 CFR 200 the Uniform Administrative Requirements, effective July 1, 2015, as well as all state laws, regulations and Department guidelines applicable to the activities set forth in this Agreement.
- B. Grantee agrees to comply with all state/federal laws and regulations applicable to the CDBG-NDR Program and to the grant activities, and with any other federal provisions as set forth in the Department's agreement with HUD.

16. **Federal Labor Standards Provisions**

Grantee and its contractors and subrecipients shall comply with all of the following:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) The act prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The act also provides that the inclusion of kickback amounts in contract prices is prohibited conduct in itself. This act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.

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- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts 1, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

17. State Labor Standards Provisions

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of Section 1720-1743 of the California Labor Code ("LC"), pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations are met.
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the LC. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

18. Lead Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Grantee with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these regulations. The Grantee shall be responsible for the notifications, inspections, and clearance certifications required under these regulations.

19. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Grantee, or its designees or agents who exercise or have exercised any functions or responsibilities with respect to CDBG-NDR activities assisted under this part, or 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 a CDBG-NDR-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-NDR-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter. The foregoing

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requirement shall apply to members of the governing body and all public officials of locality in which the program is situated only if Grantee enters into a contract or subcontract with such locality or localities to fund or perform CDBG NDR assisted activities. The Grantee shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

20. **Conflict of Interest of Certain Federal Officials**

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. Grantee shall report all perceived, potential or actual conflicts of interest to HCD for review before entering into any agreements or providing financial assistance.

21. **Anti-Job Pirating Certification**

Pursuant to 24 CFR 570.482(h) CDBG-NDR funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one labor market area to another labor market area if the relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs. Job loss of more than 500 employees is always considered significant. Job loss of 25 or fewer positions is never considered significant. A waiver has been granted by HUD for this regulation in the Federal Register Notice FR-5936-N-01, but Grantee must request permission to use the waiver in writing from the Department.

22. **Anti-Lobbying Certification**

The Grantee shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, Grantee shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

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23. **Bonus or Commission, Prohibition Against Payments of**

The assistance provided under this Agreement shall not be used in the payment of any bonus or commissions for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

24. **Contractors and Subrecipients**

- A. HCD has adopted procurement standards under 2 CFR 200.318-326. The Grantee shall follow these same standards. In addition, Grantee shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG-NDR funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.
 - 1) Contractors are defined as consultants (for-profit or non-profit) or construction contractors who are procured competitively.
 - 2) Subrecipients are defined as public agencies or public/private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG-NDR funds from an awarded jurisdiction to undertake eligible activities.
- B. An agreement between the Grantee and any contractor or subrecipient shall require:
 - 1) Compliance with the applicable State and federal requirements described in this Agreement, which pertain to, among other things, procurement, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug-Free Workplace; and, compliance with the applicable provisions relating to labor standards and Section 3 as described in Sections 11 and 16 of this Exhibit. Appendix II of 2 CFR Part 200 sets forth mandatory provisions for incorporation into non-Federal entity contracts involving federal funds awards. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
 - 2) Maintenance of at least the minimum State-required Workers' Compensation Insurance for those employees who will perform the grant activities or any part of it.

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- 3) Maintenance, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the grant activity(ies) or any part of it.
 - 4) Compliance with the applicable Equal Opportunity Requirements described in Exhibit D, Section 11 of this Agreement.
 - 5) Compliance with the policies, guidelines and requirements of OMB Uniform guidance at 2 CFR 200 the Uniform Administrative Requirements, as well as all state/federal laws, regulations and Department guidelines applicable to the activities set forth in this Agreement.
- C. Contractors shall:
- 1) Perform the grant activities in accordance with federal, State and local housing and building codes, as are applicable.
 - 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.
- D. Subrecipients shall:
- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Grantee that the HUD/HCD CDBG-NDR grant contract is closed.
 - 2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.
- E. Contractors and Subrecipients: Drug-Free Workplace Act of 1988
- Contractors and subrecipients shall comply with all of the following:
- 1) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
 - 2) Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.

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- 3) Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within (5) five calendar days, if he or she is convicted of a criminal drug violation in the workplace.
- 4) Notify the contracting or granting agency within 10 (ten) days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
- 5) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
- 6) Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the act.

25. Insurance

The Grantee shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Grantee and the Department to be necessary for specific components of the grant activity(ies) described in Exhibit A. The foregoing insurance requirement shall not apply to any California State entity that is self-insured.

26. Reporting Requirements

During the term of this Agreement, the Grantee must work with HCD, HCD's technical assistance consultants and other partners in submitting the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. Report forms are provided in the most current CDBG-NDR GMM Appendixes. Grant closeout reports are listed in Exhibit B, Section 6. The Grantee's performance under this Agreement will be based in part on whether it has submitted reports on a timely basis. Grantee and partners must use HCD technical assistance consultant web based grant management software to track grant outcomes, performance and beneficiaries.

- A. Project Set-Up / Completion Report: Submit Set-up report for review and approval by Department prior to incurring project costs. Submit amended reports as needed.
- B. Weekly Project Update Report: Grantee and other partners associated with CDBG-NDR project activity implementation must participate on a Weekly Conference Call to provide status update on each activity. Grantee shall provide notes on Weekly Project Update Report prior to each call. Report information for updating project status in DRGR reporting system.
- C. Quarterly Performance and Expenditure Report (QPER): Submit by the end of the last month of the quarter, December 31, March 31, June 30 and September 30.
- D. Annual Performance Report (APR): Submit APR by July 31, starting from the contract effective date to subsequent June 30.

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- E. Labor Standards Wage Compliance Report: Submit Semi-annual Wage Compliance Reports by October 7 and April 7 during the entire project construction period. Submit final Wage Compliance Report thirty (30) days after construction is completed.

The Department reserves the right to request any other periodic reports that may be necessary or desirable, in the opinion of the Department, for the implementation of this Agreement.

27. Monitoring Requirements

The Department shall perform a monitoring of project activities and/or fiscal monitoring of the grant in accordance with requirements of 42 U.S.C. 5304(e)(2), as amended and as modified by Federal Register Notice FR-5936-N-01. The Grantee shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. Grantee will work with HCD technical assistance consultant to conduct ongoing monitoring compliance of partners under three party agreements who are implementing CDBG-NDR project activities. Grantee shall assist HCD and HCD technical assistance consultant in complying and maintaining recordkeeping files to facilitate HUD audit reviews under 24 CFR 570.493 for all activities under this agreement.

In determining appropriate monitoring for each grant activity, the Department shall consider prior grant administration, audit findings, as well as factors such as complexity of the project and the amount of funding. The Department shall determine the areas of monitoring, the number of monitoring visits, and their frequency. Monitoring shall address program compliance with contract provisions, including to but not limited to eligible activity, eligible costs, meeting a National Objective. In addition, monitoring reviews of financial management and requirements of Disaster Relief Appropriations Act, 2013 (Public Law 113-2), Title I of Housing Community Development Act (HCDA) of 1974 (42 U.S. C. 5302 et seq.), HCDA regulations 24 CFR, Part 85, 24 CFR 570 Part I, all applicable federal overlay requirements and all CDBG-NDR published Federal Register Notices shall be conducted.

28. Inspections of Grant Activity

The Department and/or HUD reserves the right to inspect any grant activity(ies) performed hereunder to verify that the grant activity(ies) is being and/or has been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.

- A. Grantee shall inspect any grant activity performed by contractors and subrecipients hereunder to ensure past and current grant activities meet the applicable federal, state and/or local requirements per this Agreement.
- B. Grantee agrees to require that all grant activities found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor and subrecipients, respectively, until it is so corrected.

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29. Access to Records

Grantee and its contractors and subrecipients shall at all times during the term hereof provide to the Department, HUD, the State, the Comptroller General of the United States, the California State Auditor, or any of their duly authorized representatives, access to any books, documents, papers, and records for the purpose of making audit, examination, excerpts, and transcriptions pursuant to 24 CFR 85.36(i)(10).

30. Audit/Retention and Inspection of Records

- A. Grantee must have intact, auditable fiscal and program records at all times. If the Grantee is found to have missing audit reports from the California State Controller's Office ("SCO") during the term of this Agreement, the Grantee will be required to submit a plan to the Department with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Grantee will be subject to termination of this Agreement and disencumbrance of the funds awarded. Grantee's audit completion plan is subject to prior review and approval by the Department.
- B. Grantee agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Grantee agrees to provide the Department or its designee with any relevant information requested. Grantee shall permit the Department or its designee access to its premises, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. Grantee further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Grantee that the HUD HCD CDBG-NDR grant contract has been closed. Grantee shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.
- C. An expenditure that is not authorized under this Agreement or that cannot be adequately documented shall be disallowed. If this determination is made after reimbursement was made to Grantee, then expenditure must be reimbursed to the Department or its designee by the Grantee. Expenditures for grant activity(ies) not described in Exhibit A shall be deemed authorized if the performance of such grant activity(ies) is approved in writing by the Department prior to the commencement of such grant activity(ies).
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of the allowability of any expenditure shall be final.
- E. For the purposes of annual audits under OMB Uniform Guidance, Grantee shall use the Federal Catalog number 14.272 for the CDBG-NDR Program.

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- F. Pursuant to OMB Uniform Guidance 2 CFR 200, the Grantee shall perform an annual audit at the close of each fiscal year in which this Agreement is in effect. Audit costs for this Agreement are a general administration expense and are subject to the general administration expenditure limits associated with this Agreement. The costs of the CDBG-NDR-related portion of the audit may be charged to the program in accordance with Public Law 98-502, Uniform Guidance, and Section 7122 of Title 25 CCR.
- G. Notwithstanding the requirement of A-F above, the Department will not reimburse the Grantee for any audit cost incurred after the expenditure deadline of this Agreement.
- 1) The audit shall be performed by a qualified State, department, local or independent auditor. The agreement/contract for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
 - 2) If there are audit findings, the Grantee must submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Grantee in writing. If the Department is not in agreement, the Grantee will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.
 - 3) The Department shall not approve reimbursement for any expenditures for the audit, prior to receiving an acceptable audit report.
 - 4) If so directed by the Department upon termination of this Agreement, the Grantee shall cause all records, accounts, documentation and all other materials relevant to the grant activities to be delivered to the Department as depository.

31. **Signs**

If the Grantee places signs stating that the activity is funded with private or public dollars and the Department is also providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG-NDR Program.

32. **Citizen Participation**

The Grantee is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115. Grantee must follow a detailed citizen participation plan that satisfies 24 CFR, Part 70.486.

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33. Flood Disaster Protection

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3(a) of said act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said act.
- C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

34. Procurement

The Grantee shall comply with the procurement provisions, administrative requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian tribal governments and 2 CFR 200.318 through 200.326, per the Department's certification of these procurement standards.

In accordance with federal register notice FR-5936-N-01, a Data Universal Numbering System (DUNS) number must be collected and reported in the Disaster Recovery Grants Reporting (DRGR) system.

35. Program Income

Pursuant to Federal Register Notice FR-5936-N-01 Section 3, V. A. 17 - HUD has waived applicable program income rules at 42 U.S.C 5304(j), 24 CFR 570.500(a) and (b), 570.504, and 570.489(e) to the extent necessary to provide additional flexibility for the use of CDBG-NDR Program Income. The alternative requirements provide guidance regarding the use of program income received before and after grant closeout and address revolving loan funds. Some of the CDBG-NDR program income (CDBG-NDR PI) rules vary slightly from standard CDBG requirements.

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For purposes of the NDR project, the Grantee may retain all CDBG-NDR PI generated during the term of this Agreement. Upon the closeout of the entire CDBG-NDR grant, the Grantee must transfer all program income received from completed project activities to the regular CDBG program as normal CDBG funding. At that time, CDBG-NDR exemptions and waivers no longer apply. Any CDBG PI funding generated from CRC facility after project completion/grant close out shall fall under the Grantee's current Program Income Reuse Agreement executed with the Department. The Department and its technical assistance contractor will provide guidance as needed to ensure that the expenditure of all program income is within the regulations noted above.

36. Obligations of Grantee with Respect to Certain Third Party Relationships

The Grantee shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Scope of Work with respect to which assistance is being provided under this Agreement to the Grantee. The Grantee shall comply with all lawful requirements of the Department necessary to ensure that the Scope of Work, with respect to which assistance is being provided under this Agreement to the Grantee, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [42 U.S.C. 5304(g)] and Certifications in Exhibit F of this Agreement.

37. Energy Policy and Conservation Act

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

38. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03):

- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a 30-day cancellation clause and the following provisions:
- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 - 2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
 - 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

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- 4) The Department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.
- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- C. Government Code (“GC”) § Section 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.

39. Required Expenditure Dates

In accordance with P.L. 113-2, all CDBG-NDR funds must be expended within two years of the date HUD obligates funds to the grantee (funds are obligated to a grantee upon HUD’s signing of the grantee’s CDBG-NDR grant agreement), unless a waiver is requested and granted by HUD. For purposes of this Agreement, on July 18, 2016, HUD granted the Department a waiver of this requirement and establishing a new expenditure date of September 30, 2022. Any funds not expended by the federal expenditure date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. Grantee cannot request an extension of the federal expenditure date.

40. Grant Reduction

If, after HCD is awarded funds and enters into a grant agreement with HUD, HCD then or subsequently proposes to make a substantial amendment to any of the CDBG-NDR project activities, then HUD and HCD reserve the right to amend the award and change the budget amounts under this Agreement.

41. Withdrawal of Grant Amounts

If Grantee does not proceed within a reasonable timeframe, HUD and HCD reserve the right to withdraw any funds HCD has not obligated under the award. If funds are withdrawn prior to September 30, 2017, HUD shall redistribute any withdrawn amounts to one or more other jurisdictions eligible for CDBG-NDR funding.

42. Financial Controls

The NDRC NOFA requires that any party involved in the CDBG-NDR projects, whether directly or indirectly, must agree to provide any information HCD requires in order to maintain proficient financial controls; on a project costing over \$100 million, the magnitude of such controls will be wide and varying. HCD has developed a Grant Management Manual (“GMM”) for CDBG-NDR funding and by executing this Agreement, Grantee commits to using the manual as guidance in completing fiscal reports and maintaining accounting records.

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43. Administrative and National Policy Requirements

Certain Administrative and National Policy Requirements apply to all HUD funding, including CDBG-NDR funding. See NDRC NOFA, Exhibit E, for a list of these requirements. Any party involved in a CDBG-NDR project, whether directly or indirectly, must agree to provide any information HCD requires in order to meet the aforementioned administrative and national policy requirements.

44. Reporting

HUD requires grantees under the NDRC NOFA to report the sources and uses of all amounts expended and other information for HUD's annual report to Congress or other purposes as determined by HUD. All recipients of CDBG-NDR funding for project implementation, whether directly or indirectly, shall report amounts shown in project sources and uses forms and all amounts expended on eligible activities under this Agreement. Parties shall provide information as requested by HCD for purposes of reporting to federal, state and local entities including but not limited to CDBG-NDR quarterly report to HUD, and HUD's annual report to Congress or other purposes as determined by HUD.

Appendix A of the NDRC NOFA contains the requirements applicable to Community Development Block Grant (CDBG) funds made available by the Disaster Relief Appropriations Act, 2013 (PL113-2, approved January 29, 2013) Appropriations Act and awarded under the National Disaster Resilience Competition as CDBG-NDR grants. Appendix A to the NDRC NOFA was subsequently incorporated into Federal Register Notice FR-5936-N-01.

45. Use of Funds

- A. The Appropriations Act made funds available for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. The Appropriations Act requires funds to be used only for these specific disaster-related purposes.
- B. All recipients of CDBG-NDR grants are subject to: (1) the requirements of the Appropriations Act; (2) the Fiscal Year (FY) 2014 Notice of Funding Availability for National Disaster Resilience Competition (NDRC NOFA), including all appendices and incorporated portions of the FY 2014 General Section (as amended); and (3) applicable regulations governing the CDBG program at 24 CFR Part 570, unless modified by waivers and alternative requirements published by HUD in this NOFA or other applicable Federal Register Notice.

46. Performance Measures and Related Remedies

Performance Measures and Penalties provisions are set forth in Exhibit B Section 7.

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47. Disputes

Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement, which is not disposed of, by mutual agreement of the parties shall be decided by a two-tier process. First, the Grantee will present their dispute documentation to the CDBG-NDR Project Manager for review and resolution. If the dispute cannot be resolved by the Project Manager, then it will be presented to the Deputy Director of HCD's Housing Policy Division. The decision of the Deputy Director shall be final, conclusive and binding.

48. Award Date

Given the uniqueness of this NDRC competitive award, HCD is treating the HUD award date as the date of the award for Grantee. As noted in item 1 above, on July 18, 2016, HUD approved HCD's request to extend the federal expenditure deadline to September 30, 2022. It is important to note that only the remaining balance of the grant as of the end of the initial 24-month expenditure period will be extended.

49. Suspension or Termination

A. Suspension of Work

The Director of HCD, the Acting Director, or any designee of either, by written notice may suspend the work of the Grantee, or any portion thereof, for any period up to ninety (90) days, as the Director, Acting Director, or their designee may deem necessary in their sole and absolute discretion.

B. Termination at Option of Department

The Director, Acting Director, or their designee may, in their sole and absolute discretion and upon ten (10) days' written notice to Grantee, terminate this Agreement in whole or in part. Upon receipt of a termination notice, Grantee shall immediately discontinue all services affected unless the notice specifies otherwise.

C. Termination for Default

The Director, Acting Director, or their designee may, upon three (3) day written notice to the Grantee, and without any prejudice to its other remedies, terminate this Agreement in whole or in part for cause. Cause shall consist of violations of any terms and/or special conditions of this Agreement and for the HUD agreement, upon the request of HUD, or the withdrawal of, or any limitation on the Department's expenditure authority. Upon receipt of any notice terminating this Agreement in whole or in part, the Grantee shall (1) immediately discontinue all services affected (unless the notice directs otherwise); and (2) deliver to the Department's Contract Manager all data, reports, summaries, and such other information and materials as may have been accumulated by the Grantee in performing under this Agreement, whether completed or in progress. At the sole discretion of the Department, the Department may offer the Grantee an opportunity to cure any breach(es) prior to terminating for a breach. If after notice of termination for failure to fulfill contract obligations, it is determined that the Grantee had

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not so failed, the termination shall be deemed to have been effected for the convenience of the Department.

D. Termination at Option Upon Bankruptcy of Grantee

In the event proceedings in bankruptcy are commenced against the Grantee, or the Grantee is adjudged bankrupt or a receiver is appointed, the Grantee shall notify the Department immediately in writing and Department may terminate this Agreement and all further rights and obligations by giving three (3) days' notice in writing to Grantee in the manner specified herein.

E. Effects of Suspension and Termination

Costs incurred by or paid by Grantee relating to obligations incurred by the Grantee during a suspension or after termination of an award are not allowable unless the Department expressly authorizes them in the notice of suspension or termination or subsequently. Other Grantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowed if:

- 1) The costs resulting from obligations which were properly incurred by the Grantee before the effective date of suspension or termination, are not in anticipation of suspension or termination; and, in the case of a termination, are non-cancellable; and,
- 2) The costs would be allowable if the award was not suspended or expired normally at the end of the funding period in which the termination takes place. Notwithstanding the previous sentence, any costs incurred after this contract is terminated are not reimbursable.
- 3) Relationship to Debarment and Suspension. The enforcement remedies identified in this Section, including suspension and termination, do not preclude a Grantee from being subject to 2 CFR Part 2424. CDBG funds may not be provided to excluded or disqualified persons, organizations, companies or entities per 24 CFR 570.489(i).

F. Non-Compliance

Enforcement for noncompliance may include, but is not limited to, the following remedies if Grantee materially fails to comply with any term of this Agreement, whether stated in a federal statute or regulation, an assurance in a State plan or application, a notice of award, or elsewhere:

- 1) Temporarily withhold cash payments pending correction of the deficiency by the Grantee.
- 2) Disallow (that is, deny use of funds for) all or part of the cost of the activity or action not in compliance.
- 3) Wholly or partly suspend or terminate the current award for the Grantee's program.

EXHIBIT D

- 4) Exercise any other remedies or any other rights that may be legally available to the Department, including termination of this Agreement.
- G. Cumulative Remedies

The rights and remedies of the Department provided in this Agreement are cumulative and are in addition to any other rights and remedies provided by law, all of which are hereby reserved.

- H. Completion

In the event of termination for default, the Department reserves the right to take over and complete the work by contract or other means; Grantee will fully cooperate with the Department and provide all information needed for a smooth transition. In such case, Grantee is liable to Department for any additional costs incurred by the Department to complete the work.

In accordance with federal register notice FR-5936-N-01, a Data Universal Numbering System (DUNS) number must be collected and reported in the Disaster Recovery Grants Reporting (DRGR) system.

50. Federal Register Notice(s)

The parties agree that in addition to complying with all other terms and conditions set forth in the Standard Agreement and the various Exhibits thereto, to the extent additional requirements or conditions are imposed upon HCD by HUD in any Federal Register Notice ("FRN") relating to the NDRC project, the parties will be required to comply with such additional requirements or conditions, as will their respective recipients of CDBG NDR funding. In connection therewith, the parties acknowledge having reviewed the following three FRNs issued by HUD prior to the date hereof: (i) 81 FRN 109, page 36557 [Docket No. FR-5936-N-01] dated June 7, 2016; (ii) 80 FRN 21, page 5570 [Docket No. FR-5831-N-03] dated February 2, 2015; and (iii) 79 FRN 202, page 62654 [Docket No. FR-5753-N-11] dated October 20, 2014. The parties further acknowledge that additional FRNs relative to the NDRC project will be issued by HUD in the future, and that each party must also comply with any requirements and conditions set forth in such subsequent FRNs.

51. HCD Disaster Recovery (DR) Grant Management Manual (GMM)

The Grantee will utilize the most current version of the CDBG-DR Manual in implementing CDBG-NDR activities. Grantee will work with HCD technical assistance consultant consulting to ensure all activities are in compliance with CDBG and CDBG-NDR rules and regulations.

52. Duplication of Benefit

Duplication of benefits (DOB) requirements in section 312 of the Stafford Act and in the Appropriations Act applies to the use of CDBG-NDR funds. HCD has developed a process for documenting any DOB for project activities. This process is based on HUD Federal Register notice 76 FR 71060 published on November 16, 2011 and other HUD published guidance. Prior to release of any project activity funding, Grantee must follow HCD process for documentation of DOB. The DOB calculations must be completed and approved in writing by HCD as part of

EXHIBIT D

clearing general conditions for each project activity under this Agreement upon clearance of general conditions, project funding will be released.

53. **Non-Discrimination Language from 41 CFR Part 60-1.4(b)**

Grantee shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapters 60).

54. **Policies on Excessive Use of Force**

Grantee must have and follow these policies: 1) Prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstration; and, 2) Enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstration within its jurisdiction.

55. **Project Design/Feasibility**

Grantee will demonstrate that the engineering design for each project activity under this Agreement is feasible prior to obligation of funds for construction. This demonstration is satisfied if a registered professional engineer (or other design professional) certifies that the design meets the appropriate code or industry design and construction standards. Grantee will design projects that to the greatest degree possible, use construction methods that are high quality, green construction, energy and water efficient, healthy indoor environments, resilient and mitigating the impact of future disasters.

56. **Use of Web Based Grant Management Software**

Grantee staff shall utilize the web based software that HCD is having developed for CDBG-NDR grant administration. The HCD technical assistance consultant shall develop such software and shall provide training and technical assistance to Grantee's staff on accessing and using the software. The software license from the consultant is extended to HCD's employees as **Authorized Users** and is extended to Grantee's staff as **Non-HCD Authorized Users**. Grantee, as Non-HCD Authorized User, acknowledges that its and its employees' use of the CDBG-NDR software created for this project by the technical assistance consultant is expressly subject to the terms and conditions of the software license granted to HCD in Section 1 of Exhibit F to that certain Standard Agreement between HCD and the consultant (the "License"), which License Grantee has reviewed and agrees to be fully bound by. The indemnity, defense and hold harmless obligation of Grantee set forth in the license shall indefinitely survive the completion or earlier termination of this Agreement.

57. **Required Federal Language from 2 CFR Part 200 Appendix II**

Appendix II to CFR Part 200 sets forth mandatory provisions which must be incorporated into non-Federal entity contracts involving federal funds awards. This requirement applies to the subject matter of this Agreement. Accordingly, Appendix II to CFR Part 200 is hereby incorporated into and made part of this Agreement by reference. Grantee acknowledges having reviewed such provisions and agrees to the terms thereof. Grantee further acknowledges that

EXHIBIT D

HCD is requiring that all other recipients of CDBG-NDR funding incorporate Appendix II to CFR Part 200 into their agreements.

58. **Procurement of Recovered Materials**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

59. **Rights to Inventions Made Under a Contract or Agreement**

If a Federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or subrecipient must comply with requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements, “ and any implementing regulation issued by the awarding agency.

60. **Ethical Standards/Code of Conduct**

Grantee must develop and maintain written standards of conduct as required by 2 CFR 200.318.

NDRC HUD NOTICE OF FUNDING AVAILABILITY (NOFA)



U.S. Department of Housing and Urban Development

Community Planning and Development

National Resilient Disaster Recovery Phase TWO

FR-5800-N-29A2

Application Due Date: 10/27/2015

Nani A. Coloretti

Nani A. Coloretti
Deputy Secretary

6/22/2015

Date

Harriet Tregoning

Harriet Tregoning
Principal Deputy Assistant Secretary
for Community Planning and Development

6.17.2015

Date

National Resilient Disaster Recovery Phase TWO

FR-5800-N-29A2

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U.S. Department of Housing and Urban Development

Program Office: Community Planning and Development
Funding Opportunity Title: National Resilient Disaster Recovery Phase TWO
Announcement Type: Initial
Funding Opportunity Number: FR-5800-N-29A2
Primary CFDA Number: 14.272
Due Date for Applications: **10/27/2015**

Today's Notice of Funding Availability (NOFA) publication provides information and instructions for the CDBG-NDR Phase 2 competition and marks the beginning of Phase 2. The requirements for applicants eligible to apply under Phase 2 are contained in Section III A. Eligible Applicants of this NOFA and in HUD's FY2014 NOFAs for Discretionary Programs General Section expressly incorporated. HUD will award CDBG-NDR funds at the end of Phase 2. All awarded funds shall assist eligible CDBG-NDR activities.

Through today's publication, HUD is making available approximately \$999,108,000 in assistance.

Additional Overview Information:

On February 19, 2014, HUD published a General Section to the Department's fiscal year 2014 NOFAs for Discretionary Programs. The General Section contains requirements for applicants to HUD's competitive grant programs. However, many of these requirements are duplicative of regulations governing the Community Development Block Grant program, which apply to the use of CDBG-NDR grants unless modified by a waiver or alternative requirement. For ease of administration, HUD has expressly incorporated only those portions of the General Section relevant to the competitive award of funds. Applicants must meet all of the applicable requirements of the General Section in addition to the requirements of this NOFA to be considered and to receive funding. HUD hereby incorporates and makes applicable only those requirements of the General Section and the Technical Correction to the General Section expressly listed and made applicable in paragraph 2 below.

The full title of the General Section is General Section for Fiscal Year 2014 Discretionary Programs. It can be found on Grants.gov and on HUD's Funds Available webpage at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail. The Technical Correction to HUD's Notice General Section to the Department's Fiscal Year 2014 NOFAs for Discretionary Programs is available at <http://portal.hud.gov/hudportal/documents/huddoc?id=2014-gensec-tc.pdf>.

1. Applicable Requirements of the General Section (as modified by the Technical Correction to the General Section).

Only the following requirements of the General Section (as modified by the Technical Correction) apply, as may be modified or supplemented by this NOFA. Other requirements of the General Section are superseded by the requirements applicable to the use of Community Development Block Grant funds as modified by waivers and alternative requirements applicable to Public Law 113-2.

III. Eligibility Information (specified subsections only).

A. Registration in SAM prior to application submission.

C. Other Requirements and Procedures Applicable to All Programs (specified subsections only).

1. Statutory and Regulatory Requirements.

2. Threshold Requirements (specified subsections only).
 - a. Ineligible Applicants. Applicants must satisfy only those threshold requirements identified in this NOFA.
 - b. Resolution of Civil Rights Matters.
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 12. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), (Section 872).
- VIII. Other Information (specified subsections only).
- C. Executive Orders and Congressional Intent (Executive Order 13132, Federalism).
- D. Section 102 of the HUD Reform Act.
- E. Section 103 of the HUD Reform Act.

Additional Overview Information:

1. Incorporation of the General Section. HUD publishes a General Section each fiscal year that contains *mandatory requirements* for all applicants to HUD's competitive grant programs including this NOFA. Applicants must meet all of the requirements of the General Section in addition to the requirements of this NOFA to be considered and to receive funding. The full title of the General Section is General Section for Fiscal Year 2014 Discretionary Programs. It can be found on Grants.gov and on HUD's Funds Available webpage at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail.

2. OMB Approval Number(s):

2506-00203

I. Funding Opportunity Description.**A. Program Description and Requirements.**

A. Community Development Block Grant – Disaster Recovery – Summary: This NOFA will award supplemental disaster recovery CDBG funds competitively for resilient recovery activities. The Disaster Relief Appropriations Act, 2013 (PL 113-2) included funds for disaster recovery from major disasters declared under the Stafford Act (42 U.S.C. 4121 et seq.) in 2011, 2012, and 2013. HUD has not previously allocated such funds competitively, instead employing Federal agency data available for all eligible jurisdictions to allocate funds applying formula methods. At this time, HUD has allocated approximately \$14 billion, by formula and to Rebuild by Design projects, and has determined that the data available for the earliest disasters, in particular, does not credibly represent additional current unmet needs (beyond those for which HUD has already allocated funding by formula) to support such a formula allocation method for the remaining funding. No other reasonably current data sources common to all possible eligible jurisdictions exist. Because the law directs that CDBG-DR assistance must flow to the most impacted and distressed areas with unmet recovery and revitalization needs related to the effects of a covered major disaster, HUD decided that a competition framework would work best to elicit the data needed to inform allocation choices and ensure that the unmet disaster recovery and revitalization needs of communities around the country are appropriately considered.

HUD has six goals for this competition. First, to fairly allocate remaining PL 113-2 CDBG disaster recovery funds. Second, to create multiple examples of local disaster recovery planning that applies science-based and forward-looking risk analysis to address recovery, resilience, and revitalization needs. Third, to leave a legacy of institutionalizing in as many states and local jurisdictions as possible the implementation of thoughtful, innovative, and resilient approaches to addressing future risks. Fourth, to provide resources to help communities plan and implement disaster recovery that makes them more resilient to future threats or hazards, including extreme weather events and climate change, while also improving quality of life for existing residents and making communities more resilient to economic stresses or other shocks. Fifth, to fully inform and engage community stakeholders about the current and projected impacts of climate change and to develop pathways to resilience based on sound science. Sixth, to leverage investments from the philanthropic community to help communities define problems, set policy goals, explore options, and craft solutions to inform their own local and regional resilient recovery strategies. As with all CDBG assistance, the priority is on serving low- and moderate-income people.

This CDBG-NDR competition bears some similarities to other federal programs that address disaster recovery and threat and hazard mitigation. This similarity (and the distinctions noted below) is deliberate.

The similarity allows states and local governments to invest CDBG-NDR funds to support or fill gaps to address unmet needs inaccessible or unaffordable to other federal programs, and for which insurance and state, local, and other resources are unavailable. In addition, any similarity in program structure will enable lessons learned from this competition to potentially be transferable to other federal programs. The distinctions, on the other hand, spring from the CDBG nature of the funding source, as directed in the Congressional appropriation. Among major disaster recovery programs, CDBG is notable in its statutory focus on determining and meeting the unmet needs of vulnerable lower-income people and communities and targeting the most impacted and distressed areas. CDBG is also singular in its ability to consider a wide range of local community development objectives related to recovery and economic revitalization, including integrally related resilience objectives. HUD intends that the most successful proposals in this competition will take advantage of these CDBG similarities and distinctions to envision and implement recovery projects that serve multiple purposes and position recovering communities for a prosperous and more resilient future. To ensure programs harmonize and do not duplicate benefits, HUD is requiring all

applicants to describe how they consult with or coordinate with funders of other proposed recovery and resilience investments in the most impacted and distressed target area and region. The CDBG context also leads naturally to requiring resilience elements within recovery projects because it creates stability. Reducing current and future risk is essential to the long-term economic well-being of communities and businesses. When a disaster chills local and regional economies, investments in anchor projects to reduce risk and stimulate economic revitalization can be an essential part of any disaster recovery.

Why should you apply for this competition? One of the key lessons of the Rebuild by Design process is that, when federal, state, local and philanthropic goals align, community capacity and innovation can leapfrog forward. This NOFA replicates many of the innovations that RBD piloted, including the value of a two-phased approach, and close partnership with philanthropy. [More information about the Rebuild by Design process and innovative design proposals is available at www.rebuildbydesign.org.] HUD is confident that every state and local government honestly and wholeheartedly participating in the risk and idea framing process in Phase 1 will benefit from the effort and emerge with a better understanding of the risks it faces today and in the future, what resilience issues to consider in making major public investments, and how to enhance resilience to extreme events and climate change.

Acting as an independent but supportive partner to HUD for the National Disaster Resilience Competition, the Rockefeller Foundation has convened resilience workshops around the country during Phase 1 that offered every state and eligible local government applicant a wide range of information and expertise to help communities understand resilience and identify their various threats, hazards, economic stresses and other potential shocks, including those resulting from climate change. The resilience workshops provided eligible applicants tools and concepts that helped them identify and assess their situation, engage with their communities, choose resilience building opportunities, and respond to Phase 1.

Rockefeller again is offering targeted support to Phase 2 applicants to help them develop and refine their project proposals.

The Rockefeller Foundation's philanthropic and intellectual investments aim to help poor and vulnerable people by increasing the resilience of communities. The Foundation does this by helping people and communities prepare for, withstand, and emerge stronger from acute shocks and chronic stresses. The Rockefeller Foundation—and any other philanthropic organizations that might become involved—acts independently on these matters and not under HUD's direction. The Rockefeller Foundation will not represent HUD and cannot give technical answers about how to respond to the NOFA.

Throughout the competition, applicants are urged to integrate environmental planning into the overall effort to the fullest extent possible. One of the cornerstones of the statutorily required environmental review process is public input. With attention, effective public input in Phase 1 and Phase 2 can contribute to the fulfillment of an applicant's environmental review, including environmental justice responsibilities. Applicants should also be aware that, to the extent Federal agencies may be involved in the environmental or historic preservation reviews for their proposed project, such as when other Federal funding would be combined with CDBG funding, applicants should look to engage these Federal agencies to coordinate these reviews under the Unified Federal Review (UFR) process. The UFR process is a recently established interagency effort to unify and expedite reviews for disaster recovery projects and HUD Responsible Entities are encouraged to participate in this coordination effort. Further, the required benefit-cost analysis (BCA) for Covered Projects (see Appendix H) both informs and is informed by the environmental review. Any Applicant considering a project in the waters of the United States see www.epa.gov/cleanwaterrule for further details on applicability is strongly encouraged to conduct a permit pre-application meeting with the US Army Corps of Engineers prior to submitting a project proposal to it as part of the environmental permitting process. Integrating competition planning, environmental review, and the BCA requirements into consultation and input efforts will result in a better plan, faster completion of environmental review post-award, and a BCA more informed by all stakeholders.

The NOFA provides an overview of the competition process, including a brief time-line of when HUD intends to make awards. This is followed by a summary of the competition details, and then by the rating and ranking factors for Phases 1 and 2. Appendices provide additional details and instructions for applicants, as follows:

Appendix A – Program and Post-Award Requirements (requirement)

Appendix B – List of Qualified Counties (informational)

Appendix C – Phase 1 and Phase 2 Partner Letter (sample)

Appendix D – Phase 2 Partner Agreement Terms (requirement)

Appendix E – Phase 2 Instructions for Requesting Waivers (requirement)

Appendix F – Phase 1 and Phase 2 Certifications (requirement)

Appendix G – Phase 1 and Phase 2 Most Impacted and Distressed and Unmet Recovery Needs Criteria and Instructions (requirement)

Appendix H – Phase 2 Benefit-Cost Analysis Guidance for Covered Projects (guidance)

Appendix I – Phase 1 and Phase 2 Consultation Summary (requirement)

Appendix J – Phase 1 and Phase 2 Crosswalk Checklist (Table of Contents) (required submission)

Two-Phase Competition

Too often when designing a project to meet one exigent disaster recovery need, such as a damaged or destroyed sewer system, a community fails to consider other important needs the project could meet, or purposes it could serve. This is in part due to the rushed nature of disaster response and recovery, but also because too few community planning models exist to properly frame all the issues a project can and needs to solve. While your application must demonstrate a logical link to addressing Unmet Recovery Needs from the past disaster (also known as the “tie-back to the Qualified Disaster”), this NOFA instructs an Applicant to consider the full range of its community development objectives, and to design CDBG-DR projects to function well through reasonably foreseeable future conditions, including those related to climate change. Grantees are encouraged not to rebuild to meet past needs or threats, but to design recovery projects to create a more vital, resilient community for the present and future, taking into consideration changing threats and hazards, including those due to climate change. Moreover, particular emphasis should be given to the current and anticipated needs of vulnerable populations. The goal is to have projects that allow a community to withstand and recover more quickly from all future extreme events, shocks, or stresses.

Designing projects without putting substantial thought and effort into framing the complete range of unmet needs may lead to ineffective or wasteful use of scarce resources. Designing recovery solutions to be resilient only for threats and hazards related to the past disaster can leave a community vulnerable to negative effects from future extreme events related to other threats or hazards. When all risks are identified among other vulnerabilities during the project framing and design, project implementation can enhance protection and save lives, maximize the utility of scarce resources, and revitalize the community long after the recovery projects themselves are complete.

HUD s used Applicant responses to the Phase 1 factors (including a long-term commitment under Factor 5) to select evidence-driven proposals best positioned to result in effective, innovative and compliant resilient recovery projects. At the end of Phase 2, HUD will select projects that best achieve the goals of the competition. Note that in rating Phase 2 submissions, HUD will provide more points to applications from communities that commit to or demonstrate taking actions to improve long-term community resilience. In addition, HUD only invited an applicant to Phase 2 if it has at least committed to taking a permanent resilience-enhancing action.

Human understanding of complex problems often benefits from iterative thinking, in which a basic initial understanding grows as additional viewpoints or aspects are considered. Few problems confront us with more complexity than the effects of past, present, and future disasters on the interdependent physical, social, and economic aspects of human settlements and their greater surrounding environments, especially

when that greater environment is changing. This competition is structured iteratively to guide each applicant through broad consideration in Phase 1 and reconsideration at a more granular level of detail in Phase 2 of its disaster recovery needs, vulnerabilities, stakeholder interests, resilience and other community development objectives, and investment alternatives.

Further, communities do not stand alone. A disaster affecting one community affects its neighbors. Frequently, vulnerabilities for flooding, storms, and fires have regional risks and solutions. Protecting a community from threats and hazards often requires cooperation with neighboring jurisdictions, not just during response, but also throughout the protection, prevention, mitigation, and recovery, as well as through revitalization, maintenance, and evaluation process.

Standing at the beginning of Phase 1, 180 days for Phase 1 might have seemed like a long time. Experience tells us this is barely enough time for gathering partners, conducting the required analysis, identifying and consulting with stakeholders, agreeing on an idea, making a commitment, drafting competition narratives and other responses, and carrying out the required citizen participation on the draft materials before submitting the application. Even a community that has already embarked on this work was likely to find the time-frame challenging.

Without the framing effort in Phase 1, 120 days for Phase 2 would be an impossibly short time for you to come up with and propose a specific major disaster recovery project and agree to enter into the long-term commitments expected of the highest scoring applications under this NOFA. Building on the work of Phase 1, applicants invited into Phase 2 will have fewer than 105 days to draw a compelling project and commitments out of their Phase 1 work, publish a draft submission to meet the required citizen-participation-before-submission-to-HUD that is a CDBG hallmark, and prepare a summary of comments before submitting the application to HUD for scoring.

You will begin your application considering the Unmet Recovery Needs (URN) in your most impacted and distressed (MID) areas. As you work through responses to the competition factors, you will need to not only consider that area's needs, and existing and desired level of resilience, you will be asked to consider interdependency on a wider scale, and how regional needs and objectives and vulnerabilities can also be met in your overall NDRC proposal area.

Phase 1: Framing Unmet Recovery Needs, Vulnerabilities and Community Development Objectives (Closed). During Phase 1 (the framing phase) of this National Disaster Resilience Competition, applicants consulted with stakeholders, and comprehensively frame the recovery needs, relevant risks and vulnerabilities (current and future), and related community development opportunities in its target geographic area. Every fundable application had to first demonstrate a logical link, or tie-back, to addressing Unmet Recovery Needs stemming from the effects of the community's presidentially declared major disaster from 2011, 2012, or 2013. The other objectives, needs, or issues a project would address were unique to the Applicant's community. For example, a community that suffered a flood might want to offer flood buyouts and property acquisition in the most impacted and distressed areas, followed by restoration of a wetland to limit future flooding and provide a nature preserve or recreation area. A community that lost housing and a road during a mudslide might not only want to construct housing in a safer area for survivors but also to find a financing mechanism for affected ownstream businesses to survive the effects of the last event and be prepared for and recover more quickly from future hazards. Once the community framed the recovery need(s), identified current and future risks and vulnerabilities and noted community development opportunities, the applicant had to identify and seek commitments from the public and private partners it needs to develop and implement a solution, and develop a high level implementation idea. The applicant's responses in Phase 1 described this framing process and its results, identified the partners and other resources, and described the resulting resilient recovery concept or idea.

Phase 2: From Framing to Implementation. In the second phase of the competition (the implementation

phase), the highest scoring applicants from the first phase are invited to fully articulate a resilience-enhancing disaster recovery or revitalization project or program that addresses as many of the Phase 1 identified risks, vulnerabilities, and community development opportunities as feasible and compete for implementation funding. The best projects will demonstrate how the proposal or project will help the community recover from the effects of the covered disaster, advance community development objectives such as economic revitalization AND improve the community's ability to absorb or rapidly recover from the effects of a future extreme event, stress, threat, hazard, or other shocks. The proposed Phase 2 project may be a pilot for the overall Phase 1 solution, may be limited to the CDBG-NDR-eligible portion of a Phase 1 concept that would benefit a larger geography than the most impacted and distressed target area, or a stand-alone portion of a project idea envisaged in Phase 1 that may take years or decades to completely realize. In any case, the Phase 2 project must not be contingent on actions outside the scope of the project to provide a defined level of protection against the threat(s) and hazard(s) identified, meet a CDBG-NDR national objective, or comply with requirements of this NOFA, including Appendix A. The applicant will be asked to explain how the Phase 2 proposal arises logically from the Phase 1 framing.

In Phase 2, each applicant will complete a benefit-cost analysis (BCA) for any Covered Project(s). Although the required completion of a BCA is new to CDBG-DR, Rebuild by Design competitors completed BCAs and the analysis process helped improve the final proposals. FEMA and DOT also employ BCAs in reviewing applications for major projects, and cost efficiency analysis is employed in reviews of environmental impact and consideration of alternatives. This CDBG-NDR BCA will provide a sense of the cost efficiency of the proposal, but the BCA score will not be used alone to determine soundness of approach. HUD recognizes that the benefits and costs may be difficult or impossible to comprehensively quantify, but, regardless of a proposed project's scale, HUD will not fund any Phase 2 activities for which the benefits to the applicant's community and to the United States as a whole are not demonstrated by the evidence submitted to justify the costs. Appendix H provides guidance on completing an acceptable BCA. Note that quantifying or otherwise accounting for social and ecological benefits and costs is a critical component, as is consideration of all related resources, including leverage, and the benefits and costs of long-term commitments under Factor 5.

Some of the resources provided to CDBG grantees to support completion of the environmental reviews required under 24 CFR part 58 may also be useful sources of information for a benefit-cost analysis. Consideration of these resources at an early stage may help speed the required environmental reviews.

Applicants are strongly encouraged to integrate general and project planning with the environmental review process, and should coordinate these reviews under the Unified Federal Review (UFR) process, where possible and as appropriate. The applicant can use public outreach meetings not only to seek Phase 1 planning input and Phase 2 project comments or to meet the consultation requirement of this NOFA, but also to inform the public about environmental effects of different design approaches or of a proposed project and its alternatives. Examples of required outreach include scoping for the National Environmental Policy Act (NEPA), notices and evaluation in compliance with Executive Orders 11988 and 11990 (the 8-step decision process for floodplain management and wetlands protection), and consultation for section 106 of the National Historic Preservation Act. The applicant should have an engagement plan that includes strategies to ensure that vulnerable and under served populations are involved in the planning and decision-making processes. This informs decision-makers of the widest possible range of needs and options. Meaningful engagement and participation ensures the highest probability of success for all stakeholders.

In both phases, HUD is requiring thoughtful, evidence-based practice, incorporating consideration of the latest findings regarding the range of possible effects of climate change and other risks on the target geography during the useful life of any proposed project. Many of the communities eligible to apply have already been subject to repetitive or increasingly severe disaster events and their community and regional plans, built environment, building codes, and design/construction practices may not yet have adjusted to enhance community resilience to expected threat(s) and hazard(s) based on the best available data and science. Planning for an investment in a structure or improvement intended to endure and remain in service

through its useful life must involve detailed consideration of the context in which the structure will be placed: the expected intensity and frequency of wind, rain, fire, flooding, snow loads, earthquake, drought conditions, and effects of climate change, for example and as relevant, should all influence community investment and policy decisions.

States and local governments are strongly encouraged to take or commit to resilience-enhancing actions to protect their communities from threat(s) and hazard(s), as well as to ensure the useful life of their projects under changing conditions, including future risk caused by climate change. Taking or committing to actions will enhance the competitiveness of Phase 1 and 2 proposals. HUD only invited an applicant to Phase 2 if it has at least committed to taking a permanent resilience-enhancing action, and HUD will award points in Phase 2 to applicants that have or will implement significant resilience-enhancing action(s), such as updating state and local building codes, zoning, hazard mitigation, consolidated or comprehensive plans (including area-specific plans), and other ordinances or matters within the span of control of the Applicant and public sector Partners. Such improvements may include coordination or merger of local plans or requirements in a way that will clearly enhance resilience, such as hazard mitigation assessments and plans incorporated into forward-looking comprehensive plans updated to consider future impacts from climate change. Only significant updates made or major actions taken after the date of the Qualified Disaster may be considered in responding to Factor 5. If such changes are planned for completion within one year of grant award, you may include them in this factor only if you also submit as an attachment to your application a hard commitment to complete the changes by a specified date (see the Long-term Commitment Factor of Phase 2 for detail). Applicants must identify leveraging funds to pay for costs attributable to any portion of a proposed project (including any mitigating action) that is not necessary to meet Unmet Recovery Needs in the most impacted and distressed area resulting from a Qualified Disaster.

Eligible Applicants. Eligible applicants in Phase 1 were states with Qualified Disasters and units of general local government who received CDBG-DR funding from HUD for disasters occurring in 2011-2013 (including grantees under prior disaster recovery supplemental funding)—a total of 67 potential applicants (See Appendix B for a List of Eligible Applicants). HUD is setting aside \$181,000,000 for applications serving Hurricane Sandy Qualified Disasters in the States of New York and New Jersey and in New York City due to the catastrophic level of damage caused in those areas from Hurricane Sandy and tropical storms in 2011. Note that HUD reserves the right to fund applications out of rank order to ensure geographic diversity of funding. For the same reason, HUD also reserves the right to partially fund an application(s). To ensure HUD has complete understanding on how to scale down projects, each Phase 2 applicant must identify any phasing or scalability inherent in its proposal. Those invited to submit applications for Phase 2 should develop proposals with scalable options to the degree possible and practicable, and must ensure that each component proposed for CDBG-NDR funding has independent utility.

Successful completion of Phase 1 was a threshold requirement for eligible applicants for Phase 2.

Summary of Competition Details. For Phase 1, HUD sought applications from the 67 eligible applicants. The NOFA includes criteria and deadlines for both this initial “framing” phase and the later “implementation” phase of the competition. Applicants had approximately 180 days from the NOFA publication to complete the framing process and to submit initial proposals stating in general terms the applicant’s vulnerability(ies), issue(s), community development objectives, team (meaning the Applicant, all partners and any other supporting entities), required threshold items, known obstacles, substantial consultation and citizen engagement (particularly with affected and vulnerable populations), and general information about unmet recovery needs (as defined in more detail in the sections below).

After the 180 day deadline, HUD reviewed, rated and provided detailed comments on each initial application that met all threshold requirements. Then HUD ranked the applications by score and selected the qualifying applicants for Phase 2 application round.

Phase 1 Applicants that are not invited to continue to Phase 2, but have met all thresholds, submitted a complete application, and demonstrated unmet disaster recovery needs in Phase 1 by scoring at least 15 of the Phase 1 Need Factor points and at least 65 of the overall Phase 1 points, will be invited by HUD to submit an Action Plan for Disaster Recovery (see Authority section below for discussion of the Action Plan requirement) in accordance with an allocation Notice published in the Federal Register after the invitation. This Action Plan may include CDBG-DR activities totaling up to \$2.5 million (for applicants that are not current CDBG-DR grantees under P.L. 113-2) or \$500,000 (for applicants that are current grantees under P.L. 113-2) or the total amount of demonstrated unmet needs, whichever is less, and may include reimbursement for planning and general administration costs associated with completion of the Phase 1 application (unless these were indicated as leverage in the application), subject to applicable limitations in Appendix A. HUD will award up to \$30 million to such Applicants. Any reserve pool funds not awarded at this stage will be allocated in a similar manner following Phase 2 to any applicants meeting the same criteria based on Phase 2 submission information and point minimums.

After HUD provides comments on the initial Phase 1 submissions, each continuing applicant will have approximately 120 days in Phase 2 to develop a final submission. HUD will consider Soundness of Approach, Needs, Capacity, Leverage, and Long-term Commitment at this phase. Note that leverage in this phase may include traditional financial and in-kind contributions, but must also include the applicant undertaking supporting actions locally (e.g., building code updates, executive orders, zoning revisions, comprehensive and mitigation plan linkages, inter-agency partnerships, financing mechanisms, or completing and adopting a forward-looking community-wide resilience assessment and plan) that will better position the Applicant to be more resilient to future threat(s) and hazard(s).

Following submission of the Phase 2 applications, HUD and federal agency partners will review, rate, and rank the applications in accordance with the published criteria. HUD will then determine and announce Phase 2 awards. HUD will consider for funding any complete Phase 2 application that meets all thresholds and receives at least 75 percent of the total points available in Phase 2.

The applicable post-award requirements are included in Appendix A to this NOFA. These post-award grant management requirements are, insofar as feasible, identical to those imposed under the Notices published for grants made under the formula P.L. 113-2 allocations.

B. Authority.

The funding authority for CDBG-NDR grants under this NOFA is provided by the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, signed into law January 29, 2013) (Appropriations Act) which made available \$16 billion in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. All capitalized terms in this NOFA are defined in the Definitions section or later in the document.

On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of approximately \$14.1 billion has been allocated -- \$13 billion in response to Hurricane Sandy, and Tropical Storms Irene and Lee, \$514 million in response to disasters occurring in 2011 or 2012, and \$654 million in response to other 2013 disasters. The Appropriations Act requires funds to be awarded directly to a State or unit of general local government (hereinafter, local government), and the term “grantee” (as defined below) refers to any jurisdiction receiving a direct award from HUD.

To comply with statutory direction that CDBG-NDR funds be used for disaster-related expenses in the most impacted and distressed areas related to the Qualified Disaster, HUD is requiring that applicants address unmet needs in counties identified by HUD as “most impacted and distressed,” as identified

in Appendix G, or use other data approved by HUD in Appendix G to demonstrate that the proposed target area is most impacted and distressed as a result of the effects of the Qualified Disaster.

The Appropriations Act requires funds to be used only for specific disaster recovery related purposes. The law also requires that prior to the obligation of CDBG-DR funds, a grantee shall submit a plan detailing the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas. This plan is an Action Plan for Disaster Recovery (Action Plan). For Applicants selected to move on to Phase 2, the Applicant's Phase 1 and Phase 2 submissions for this competition together constitute an Action Plan as required under P.L. 113-2. Appendix A of this Notice implements other requirements of the Appropriations Act and terms of the grant.

This Notice also applies elements of the Hurricane Sandy Task Force's Rebuilding Strategy to support grantee efforts to build back stronger and more resilient through integrating comprehensive planning and investment in meaningful efforts in their recovery and revitalization. The Task Force was established by Executive Order 13632 (published in the Federal Register at 77 FR 74341) to: (1) ensure government-wide and region-wide coordination was available to assist communities make decisions about long-term rebuilding, and (2) develop a comprehensive rebuilding strategy.

The Appropriations Act requires that funds be expended within two years of the date HUD obligates funds to a grantee, and funds are obligated to a grantee upon HUD's signing of a grantee's CDBG-DR grant agreement. In its Action Plan, a grantee must demonstrate how funds will be fully expended within two years of obligation and HUD must obligate all funds not later than September 30, 2017. For any funds that the grantee projects will not be expended by the deadline and that it desires to retain, the grantee must submit a letter to HUD, in accordance with requirements of Appendix E and not less than 30 days in advance of the deadline, justifying why it is necessary to extend the deadline for a specific portion of funds. Phase 2 applicants must submit extension requests with their applications if the project schedule submitted for Factor 3 extends beyond 24 months from award.

Allowable costs for CDBG-NDR funds under this appropriation include only those necessary expenses to meet the unmet recovery needs of the most impacted and distressed target area(s), but once the necessary tie-back is established for a project, it may be designed to also meet other community development objectives and economic revitalization needs, including greater resilience to negative effects of climate change. Under this competition, HUD is, however, awarding points for leverage, long-term commitment, and regional coordination. The most competitive proposals will bring other resources and commitment to bear to enhance resilience beyond the most impacted and distressed target areas with unmet recovery needs (MID-URN target areas) allowed for the CDBG-NDR fund source.

C. Definitions.

For purposes of the CDBG-NDR program, the following definitions of key terms apply. As needed, other definitions relevant to specific thresholds and rating factors will be provided in those sections of the NOFA. In general, terms are defined as they are under the CDBG program, either for entitlements or States, as applicable.

1. Applicant. Applicant means one of 40 States and local governments identified by HUD as an "eligible applicant" and invited to Phase 2 of this competition, submits certifications required of applicants by this NOFA, agrees to serve as the entity responsible for implementing the activities identified in the application, and, if selected for an award, signs the Grant Agreement.
2. CDBG, CDBG-DR, CDBG-NDR. CDBG means the annual Community Development Block Grant program as authorized by the Housing and Community Development Act of 1974, as amended, and its regulations as codified in 24 CFR part 570. CDBG-DR refers to grants previously made pursuant to one of several emergency supplemental CDBG appropriations, as administered by HUD under requirements published in a series of Federal Register Notices. In the abbreviation, "DR" refers to "disaster recovery." CDBG-NDR refers to the funds for which you are competing under this NOFA.

In the abbreviation, “NDR” refers to “national disaster resilience”.

3. CDBG funds. CDBG funds is a defined term at 24 CFR 570.3, and includes any CDBG-DR funds and CDBG-NDR funds. The terms CDBG-DR funds and CDBG-NDR funds are terms referring grant funds made available by CDBG-DR or CDBG-NDR awards, respectively.
4. Covered Project. A major infrastructure project having an estimated total cost of \$50 million or more (including at least \$10 million of CDBG–DR or CDBG-NDR funds), or benefiting multiple counties. Additionally, two or more related infrastructure projects that have a combined total cost of \$50 million or more (including at least \$10 million total of CDBG–DR, or CDBG-NDR funds) must be designated as major infrastructure projects.
5. Grantee. An Applicant that receives a CDBG National Disaster Resilience award directly from HUD to carry out an activity to address an Unmet Recovery Need. The term Grantee does not include subrecipients. An Applicant becomes a Grantee after the grant agreement is signed by HUD. The Grantee is the sole entity that will have access to HUD’s Line of Credit Control System (LOCCS) through the Disaster Recovery Grant Reporting (DRGR) system to draw down CDBG-NDR funding. Under P.L. 113-2, although Partners may assist in carrying out CDBG-NDR projects, the Grantee remains legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy development, and financial management (Also see Appendix A).
6. Livability Principles. Livability principles jointly adopted by HUD, EPA and DOT to support federal neighborhood and community development initiatives. The Livability Principles are as follows: provide more transportation choices; promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate and leverage federal policies and investment; and value communities and neighborhoods. For further information, see <http://sustainablecommunities.gov/>.
7. Most Impacted and Distressed. This term is defined in Appendix G. The term will not be capitalized throughout this NOFA. This term is sometimes shortened to “MID.”
8. Partner. Partner means a State, unit of local government, a nonprofit entity, a private developer, a financial institution, or other entity chosen by the Applicant to assist the Applicant in applying for funding or in carrying out a funding award or project under this NOFA, and which submits a letter of intent to assist in that capacity, and which may be referenced by the Applicant for purposes of demonstrating additional capacity for planning, design, financing, or implementation in applying for funding under this NOFA. See section on submission requirements to demonstrate commitment of Partner.
9. President’s Climate Action Plan. In June 2013, the Administration released the President’s Climate Action Plan, a series of executive actions to (1) Cut Carbon Pollution in America, (2) Prepare the United States for the Impacts of Climate Change, and (3) Lead International Efforts to Combat Global Climate Change and Prepare for its Impacts. For full text of the plan and further detail, see <http://www.whitehouse.gov/climate-change>.
10. Resilience Guidelines of Sandy Task Force The two overarching infrastructure-related goals of the Hurricane Sandy Rebuilding Task Force were to ensure all Federal actions, policies, and resources work together to foster a quick and effective recovery from Hurricane Sandy and to encourage investment in systems and assets that ensures the region is better prepared to both withstand and recover from future disasters. The Task Force created Infrastructure Resilience Guidelines to lead to decisions that better protect communities and ensure wise investment of scarce public resources. The seven guidelines are: (1) Comprehensive Analysis; (2) Transparent and Inclusive Decision Process; (3) Regional Resilience; (4) Long-Term Efficacy and Fiscal Sustainability; (5) Environmentally Sustainable and Innovative Solutions; (6) Targeted Financial Incentives; and (7) Adherence to Resilience Performance Standards. <http://portal.hud.gov/hudportal/documents/huddoc?id=hsrebuildingstrategy.pdf>.

11. Project. A project is an activity or a group of integrally related activities designed to accomplish one or more specific community development objectives in whole or in part. Note that “project” is not a term defined in the CDBG program regulations, which describe eligible “activity” types, although it is defined under the environmental review regulations at 24 CFR 58.2(a)(4). For the purposes of this NOFA, a focus on projects rather than activities better integrates program requirements with the terminology and requirements related to environmental review and the benefit-cost analysis, each of which consider the positive and negative effects of an integrally related set of actions. Adopting this definition is part of an overall strategy in this NOFA to encourage use of the terms compatible with environmental review requirements and ensure more comprehensive planning consideration and faster launch post-award.

12. Qualified Disaster. A “qualified disaster” is a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. See Appendix B for a list of Qualified Disasters.

13. Resilience. The ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions.(For purposes of this NOFA, an “incident,” “stress,” or “shock” is a disruption similar to but less severe than a Presidentially declared major disaster or emergency. Such disruptions may include, for example, a local drought, a precipitous economic change, social unrest or riots, short-term or intermittent failure or under-performance of infrastructure such as the electrical grid.)

14. Tie-back. A tie-back reasonably shows how the effects of the Qualified Disaster resulted in an Unmet Recovery Need that can be addressed by the proposed CDBG-NDR-assisted activities. Or, stated in the reverse, how the proposed project reasonably “ties-back” to addressing demonstrated direct and indirect effects of the Qualified Disaster. Once the necessary tie-back is established for a project, you may design a project that addresses or satisfies an Unmet Recovery Need and also has co-benefits, such as meeting other community development objectives and economic revitalization needs, including greater resilience to negative effects of climate change. HUD has determined that generally, designing a project that improves resilience to the impacts of climate change while meeting an Unmet Recovery Need is a necessary and reasonable cost of recovery.

15. Unmet Recovery Need. An unmet recovery need arises from damage or another harm or negative effect directly or indirectly caused by a Qualified Disaster, that has not been met and for which no other funds are available, and that HUD, in reviewing the information provided by the applicant, determines to be a need related to long-term recovery, restoration of infrastructure, restoration of housing, or economic revitalization. This phrase is sometimes shortened to “URN.”

16. Vulnerable Populations. For purposes of this NOFA, a vulnerable population is a group or community whose circumstances present barriers to obtaining or understanding information or accessing resources. HUD notes that research and HUD’s disaster recovery experience indicate that lower-income persons are less able to recover from the effects of disasters. Further, you are required under civil rights and fair housing requirements to ensure that access to program information and benefit is not limited based on a protected class, such as race, color, national origin, religion, sex, family status, or disability. Understanding that certain populations may be more vulnerable and less resilient to the negative effects of extreme events must inform threshold and factor responses.

II. Award Information.

A. Available Funds.

HUD is making available through this NOFA **\$998,108,000** for National Resilient Disaster Recovery Phase TWO.

Additional funds may become available for award under this NOFA as a result of HUD's efforts to recapture unused funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds will be subject to statutory constraints. All awards are subject to the applicable funding restrictions described in the General Section and to those contained in this NOFA.

B. Number of Awards.

HUD expects to make approximately 40 awards from the funds available under this NOFA.

C. Maximum Award Information.

Estimated Total Funding: \$998,108,000

Minimum Award Amount: \$1,000,000

Maximum Award Amount: \$500,000,000

D. Period of Performance.

Grantees must proceed in a timely manner, as indicated by the time-frames established in the NOFA.

HUD anticipates announcing awards under this NOFA 6-7 months after the initiation of Phase 2 or 2-3 months after Phase 2 applications are due.

Estimated Project Start Date:

Estimated Project End Date:

Other

Additional Information on Project Periods

Estimated project period end date is 2 years after awarded, unless waived.

E. Type of Funding Instrument.

Funding Instrument Type: Grant

F. Supplementation.

Not applicable.

III. Eligibility Information.

A. Eligible Applicants.

Eligible applicants under this NOFA include:

Others (see text field entitled "Additional Information on Eligibility" for clarification)

Additional Information on Eligibility:

Eligible applicants under Phase 2 are:

State, district and territory-level

1. Alaska
2. California
3. Colorado
4. Connecticut

5. Iowa
6. Illinois
7. Kansas
8. Kentucky
9. Louisiana
10. Massachusetts
11. Michigan
12. Minnesota
13. Missouri
14. Mississippi
15. Montana
16. New Jersey
17. New Mexico
18. New York
19. Oklahoma
20. Oregon
21. Puerto Rico
22. Tennessee
23. Texas
24. Utah
25. Virginia
26. Washington
27. West Virginia

City and County-Level Eligible Applicants for Phase 2

State	City or County
1. AL	TUSCALOOSA
2. IL	CHICAGO
3. IL	COOK COUNTY
4. IL	DU PAGE COUNTY
5. LA	JEFFERSON PARISH
6. LA	NEW ORLEANS
7. LA	ST. TAMMANY PARISH
8. MA	SPRINGFIELD
9. ND	MINOT
10. NY	NEW YORK CITY
11. OK	MOORE
12. PA	DAUPHIN COUNTY
13. TN	SHELBY COUNTY

Eligible Project Areas.

The proposed CDBG-NDR-assisted program or project area must be within, or primarily serve, one or more counties declared pursuant to a presidentially declared major disaster in 2011, 2012, or 2013. Grant funds must also be used to primarily benefit the most impacted and distressed areas related to the Qualified Disaster within eligible counties. This limitation does not prohibit co-benefits to other areas that do not result in additional costs charged to the grant, or for which the grantee identifies other sources of assistance. Applicants may either accept HUD's definition of most impacted and distressed, or use other data to demonstrate that the proposed target area is most impacted and distressed as a result of the effects of the Qualified Disaster (See Appendix G) for details on the most impacted and distressed and Unmet

Recovery Need threshold criteria). See the Appendix B spreadsheet for the lists of eligible counties with disaster declarations between January 2011-December 2013 and those previously designated “most impacted counties” based on HUD’s definition. HUD does not award grants to individuals nor will HUD evaluate an application from an ineligible applicant.

In accordance with 2 CFR 25.200, all applicants must have an active Data Universal Numbering System (DUNS) number (<http://www.dnb.com/get-a-duns-number.html>;) and have an active registration in the System for Award Management (SAM) (www.sam.gov) **before submitting an application**. Getting your DUNS number and SAM registration can take up to four weeks; therefore, you should start this process or check your status early.

HUD does not award grants to individuals nor will HUD evaluate an application from an ineligible applicant. Additionally, if for-profit firms are eligible they are not allowed to earn a fee (i.e., make a profit from the project).

In accordance with 2 CFR 25.200, all applicants must have an active Data Universal Numbering System (DUNS) number (www.dnb.com) and have an active registration in the System for Award Management (SAM) (www.sam.gov) **before submitting an application**. Getting your DUNS number and SAM registration can take up to four weeks; therefore, you should start this process or check your status early.

B. Cost Sharing or Matching.

Federal sources are generally not allowed to be used as cost share or match unless otherwise permitted by a program’s authorizing statute.

This Program does not require an applicant to leverage resources through cost sharing or matching.

Not applicable.

C. Other.

1. Citizen participation waiver and alternative requirement. To permit a more streamlined process, and ensure disaster recovery grants are awarded in timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 91.105(b) and (c), and 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. (Note that the citizen participation process is distinct from the consultation requirements of this

NOFA.) The streamlined requirements mandate at least one public hearing at the Applicant's level of government per Phase, and require providing a reasonable opportunity (at least 15 days for Phase 1 and 15 days for Phase 2) for citizen comment, and ongoing citizen access to information about the use of grant funds. The streamlined citizen participation requirements for a grant proposed under this NOFA are:

a. Publication for public comment of the Application's Executive Summary, Factor Narratives, Eligibility, National Objective, Overall Benefit, and Schedule responses, Threshold requirements documentation, and all Exhibits (A-G), but of the Attachments, only Attachments D and F must be published for public comment, opportunity for public comment, hearing, and substantial amendment criteria.. Before the Applicant submits the Phase 2 Application submission for this NOFA, the Applicant will publish the specified portions of the proposed submission. The manner of publication must include prominent posting on the Applicant's official Web site and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. The topic of disaster recovery must be navigable by citizens from the Applicant's homepage.

Applicants are also encouraged to notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with organizations located in or serving the target area or neighborhood.

Applicants are responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). Each Applicant must ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction, and the appropriate format for persons with disabilities.

For assistance in ensuring that this information is available to LEP populations, recipients should consult the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons published on January 22, 2007, in the Federal Register (72 FR 2732). Subsequent to publication of any Application submission, the Applicant must provide a reasonable time frame and method(s) (including electronic submission) for receiving comments on the submission. A summary by topic of all comments received on the Application or amended submission and a list of commenters by name or organization must be submitted to HUD along with the submission and may be included in Attachment D Consultation Summary. Such a comment summary submitted with the submission will not count against the application page limits specified in this NOFA.

The criteria for determining what changes in the Application constitute a substantial amendment requiring HUD prior approval are first, any change to the Application that would result in a change of more than 5 points in the score for capacity or soundness of approach or that would change the MID-URN target area(s). Also, the following modifications will constitute a substantial amendment requiring HUD prior approval: a change in program benefit, beneficiaries, or eligibility criteria; the allocation or re-allocation of more than \$1 million; or the addition or deletion of an activity. Subsequent to award, a grantee may substantially amend the Application if it follows the same citizen participation requirements in this Notice for the preparation and submission of an Application and HUD agrees in writing that the amended Application would still score in the fundable range for the competition. Prior to preparation and submission of any post-award amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this Notice, and all applicable regulations and Federal law.

2. Cross-cutting

Ineligible Activities include:

(1) Any activity that is not eligible under section 105(a) of the Housing and Community Development Act of 1974, as amended (for States) or under 24 CFR 570.201-207 (for local governments) is ineligible unless a waiver is obtained from HUD. See Authority section and Appendices A and E for more detail.

- (2) Any activity that does not meet a national objective under the requirements of Appendix A is not eligible unless a waiver is obtained from HUD. Note that such waivers are exceedingly rare, but applicants may see Appendix E for more detail.
- (3) Any activity for which Unmet Recovery Need or tie-back to a Qualified Disaster is not established is ineligible. This may not be waived.
- (4) You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov.
- (5) Any activity that is not in compliance with applicable fair housing and civil rights laws and regulations.
- (6) Projects dependent on a contingent action to be effective or feasible, and projects which are not feasible and/or effective at significantly reducing the risk against the threat(s) and hazard(s) for which the project was designed. Note that you must describe the feasibility and effectiveness of your project in your response to Phase 2 Factor 3. A feasible project will demonstrate (either in the application materials or prior to HUD obligation of funds if HUD selects only a portion of your proposal for funding or for substantial amendments post award) conformance with accepted design practices, established codes, standards, modeling techniques, or best practices. (Note that CDBG-NDR grantees are responsible for complying with national objective requirements and make a certification acknowledging that responsibility and covering the entire grant. An infeasible and ineffective project design will not provide the benefit proposed in your application to meet a CDBG-NDR national objective and justify project costs.)
- (7) Projects for temporary measures (e.g. sandbags, bladders, geotubes, newly established emergency operation centers). Equipment is generally ineligible for CDBG-NDR assistance unless necessary in the provision of an eligible public service or special economic development activity.
- (8) Response activities, equipment, and training (e.g., electronic evacuation road signs, interoperable communications equipment).
- (9) Projects sited within a Special Flood Hazard Area where the jurisdiction is not participating in the National Flood Insurance Program.

3. Threshold Requirements.

To be rated and ranked, all Applicants and applications must meet all threshold requirements of this NOFA. Applicants must demonstrate compliance with the threshold requirements through the information provided in their application, unless instructed otherwise in this NOFA. The threshold requirements of this NOFA include the incorporated requirements of Section III.C.2 of the General Section (see section on Additional Overview Information for a list of incorporated General Section requirements) and threshold requirements specific to the CDBG-NDR program described in this NOFA. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical (not substantive) deficiencies and administer a cure period as described in Section V.C.2., of the General Section. Applicants must review and follow documentation requirements provided in this Thresholds Requirements section and the instructions on application organization, content and submission provided in section V.B. of this NOFA. Required forms, certifications and assurances must be included in the application and will be available on at <http://www.grants.gov>. In addition to the thresholds incorporated from the General Section, the following are also competition thresholds:

- a. Eligible Applicant. You must be an Eligible Applicant and identify which Applicant you are on

your Crosswalk Checklist. See List of 40 Eligible Applicants and note the requirements for a Phase 2 invitation from HUD. Additionally, the following criteria must be met, as relevant, to comply with this threshold:

- (1) Partners. To demonstrate a partnership, a Partner Letter (either phase) or a Phase 2 Partner Agreement (PA) must be provided signed by the executive of the Applicant and the partner entity. The PA must demonstrate a commitment to work collaboratively throughout the entirety of the grant to undertake specified actions. See Appendices C and D for further instructions and a template Partner and Phase 2 Partner Agreement.
- b. Eligible County. The area primarily benefiting from the proposed CDBG-NDR assisted activity (ies) or project(s) is a county for which a 2011, 2012, or 2013 presidentially declared major disaster declaration exists. Appendix B list of the Eligible Counties.
- c. Most impacted and distressed target area. You must demonstrate that the area primarily benefiting from the proposed activities is most impacted and distressed related to the effects of the Qualified Disaster and has unmet recovery needs. See Appendix B for a list of MID counties by HUD's definition and Appendix G for requirements for more detail on the permitted alternate definition.
- d. Eligible Activity. You must demonstrate that each activity proposed to be carried out with CDBG-NDR assistance is an eligible activity (see Appendix A) or request an eligibility waiver for the activity with your application (see Appendix E). HUD does not guarantee that such waivers will be granted, but any request will be evaluated prior to determination regarding disposition of your application. Note that any activity included in your overall proposal that will not be carried out with CDBG-NDR assistance is not required to be an eligible activity. See the CDBG Disaster Recovery information on hud.gov for information regarding past eligibility waivers.
- e. Resilience incorporated. You must demonstrate that each CDBG-NDR disaster recovery activity (including any planning activity) proposed can reasonably be expected to improve the most impacted and distressed area's resilience to current and future threat(s) and hazard(s), including effects of climate change. Further, only Phase 1 applicants that demonstrate taking or commit to take at least one permanent action to increase resilience of the target area, region, or state were invited to participate in Phase 2. For more detail on the specific actions to be considered, see the Phase 2 Long-term Commitment Factor. Action must have been taken subsequent to the date of the Qualified Disaster.
- f. Meet a national objective (or be not subject to the test). You must demonstrate that each activity other than general administration and planning, which are not subject to such demonstration, proposed to be carried out with CDBG-NDR assistance can and will meet a CDBG-NDR national objective (See Appendix A) or request and receive a waiver from HUD (note that HUD has never granted national objective waivers except to permit a change in documentation, and see Appendix E for instructions).
- g. Overall benefit. You must demonstrate that at least 50 percent of the funds requested in your Application assist activities that will provide sufficient benefit to low- and moderate-income persons in the form of services, area benefit, housing, or jobs, to meet the national objective of benefit to low-and moderate-income persons (see Appendix A) or request and receive a waiver from HUD (overall benefit waivers are uncommon and must meet a statutory compelling need test; see Appendix E for instructions).
- h. Establish tie-back. You must establish a tie-back to a Qualified Disaster for each proposed CDBG-NDR -assisted activity. (Note that non-CDBG-DR funds pledged as leverage are not subject to the tie - back requirements.) See the definition section of this NOFA for more detail on tie-backs.
- i. Benefit-cost analysis. You must submit a benefit-cost analysis completed in compliance with

Appendix H for each Covered Project in your Phase 2 application. HUD will not fund any Phase 2 activities for which the benefits to the applicant's community and to the United States as a whole are not demonstrated by the evidence submitted to justify the costs.

j. CDBG-NDR Applicant Certifications. You must include in your application attachments CDBG-NDR Applicant Certifications. See Appendix F for the certifications for states and local government applicants and the specific electronic submission requirements in Section IV of this NOFA.

4. Number of Applications and Projects.

- 1) An Applicant may participate in a maximum of one application under this NOFA. A Partner may participate in more than one application, provided each application demonstrates capacity.
- 2) There is no limit to the number of proposed activities, partners, or projects per application, so long as all proposed activities meet all thresholds and CDBG-NDR program requirements.
- 3) If HUD receives electronically multiple versions of an application, HUD will rate and rank the last version of the application received by Grants.gov that meets the timely receipt requirements. All other applications (i.e., prior versions) will not be considered eligible. If applicants find after submitting an application that they want to amend or adjust their application and it is prior to the deadline date, applicants should be aware that they must resubmit the entire application, including all fax transmissions previously sent, to ensure that HUD gets a complete application.

5. Relation to prior CDBG-DR Grants and activities. Note that a CDBG-NDR Applicant may propose additional funding for an existing CDBG-DR activity, provided the Applicant can meet CDBG-NDR threshold and program requirements. The CDBG-NDR award will be made under a separate grant agreement from any prior CDBG-DR award from the same appropriation.

6. Program Requirements. Appendix A contains CDBG-NDR program requirements, administrative and national policy requirements, and other program priorities that applicants should consider as they develop their applications. Applicants MUST review this complete NOFA including Appendix A and ensure they comply with the requirements, as relevant.

IV. Application and Submission Information

A. Obtaining an Application Package.

An electronic copy of the Application Package and Application Instructions for this NOFA can be downloaded from Grants.gov at <http://www.grants.gov/applicants/apply-for-grants.html>.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. If you receive a waiver, your paper application must be received by HUD before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you should contact:

Stan Gimont
Director, Office of Block Grant Assistance
US Department of Housing & Urban Development
451 7th Street, SW
Washington, DC 20410
Email: ResilientRecovery@hud.gov

Refer to Section IV. of the General Section for additional guidance. Applicants requesting a waiver should submit their waiver requests via e-mail to ResilientRecovery@hud.gov. The subject line should contain the name of the applicant and 'Request for Waiver to Electronic Application for CDBG-NDR'.

B. Content and Form of Application Submission.

To assure you have the correct Application Package and Application Instructions, you must check that the CFDA number, the Opportunity Title, and the Funding Opportunity Number on the first page of your Application Package match those listed in the Overview of this NOFA. Your application will only be considered for the competition indicated on your submission.

B. Content and Form of Application Submission.

To assure you have the correct Application Package and Application Instructions, you must check that the CFDA number, the Opportunity Title, and the Funding Opportunity Number on the first page of your Application Package match those listed in the Overview of this NOFA. Your application will only be considered for the competition indicated on your submission. Applicants must follow the instructions below on content and form of the application submission. These criteria apply to all CDBG-NDR grant applicants and applications, unless otherwise noted.

a. Application Layout.

The first part of your application for Phase 2 will be comprised of narratives. Your narratives will respond to thresholds, rating factors, and other criteria in the NOFA, as indicated below. The second part of your application for Phase 2 will be comprised of attachments. These documents will also respond to the rating factors in the NOFA, as well as threshold and mandatory documentation requirements. They may include documents such as project renderings and visualizations, maps, photographs, application data, and various certifications.

1. Double-space your narrative exhibit pages. Single-spaced pages will be counted as two pages;
2. Use 8-1/2 x 11-inch paper;
3. All margins should be approximately one inch. If any margin is smaller than 1/2 inch, the page will be counted as two pages;
4. Use 12-point, Times New Roman font;
5. Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;
6. If a section is not applicable, indicate "N/A" so that there is a clear indication to HUD (do not just leave the section blank);
7. Mark each Exhibit and Attachment with the appropriate tab/title page, as listed below. No material on the tab/title page will be considered for review purposes;
8. No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages;
9. Do not format your narrative exhibits in columns. Pages with text in columns will be counted as two pages;
10. Any tables included in the narrative exhibits of the application must also be double spaced or they will be counted twice.
11. All pages should be numbered. HUD recommends that applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if printed.
12. Provide a crosswalk. To ensure that HUD considers all of your responses relevant to a particular requirement or rating factor, complete and submit the Appendix J Crosswalk Checklist.

Standard Forms. The last part of your application will be comprised of standard forms common to many HUD programs. For the CDBG-NDR application, the required standard forms are: Application for Federal Assistance (SF-424), Disclosure of Lobbying Activities (SF-LLL), Applicant/Recipient Disclosure/Update Report (HUD-2880); and Third Party Documentation Transmittal (HUD-96011).

b. Application Page Count. These criteria apply to all applicants. Each CDBG-NDR application for Phase 1 must contain no more than 40 pages, with three additional pages allowed for each project area

after the first, if the application includes multiple, separate areas.

Each CDBG-NDR application for Phase 2 must contain no more than 75 pages, with five additional pages allowed for each project after the first, if the application includes multiple projects. Any pages beyond these limits will not be reviewed. HUD will not consider the information on any excess pages, which may result in a lower score or failure of a threshold.

c. Exceptions to page limits.

The documents listed below constitute the only exceptions and are not counted in the page limit listed above. Extraneous information not related to the content of these attachments will be counted toward the page limit.

1. Additional pages submitted at the request of HUD in response to a technical deficiency.
2. Crosswalk Checklist
3. Evidence of Partnership
4. Leverage documentation
5. Consultation Summary. See Appendix I for instructions.
6. Waiver requests. Waiver requests associated with an application must be submitted with an application. If HUD, during review of an application or during the post-review negotiation process determines that the Applicant would require an additional waiver for the proposed project, HUD may contact the Applicant any time prior to award announcement to explain the issue and request that the Applicant submit a waiver request for consideration.
7. Benefit-cost Analysis. You will submit a Benefit-Cost Analysis (BCA) for each Covered Project in your Phase 2 application in accordance with the instructions in Appendix H. There is no page limit to the BCA, however, material in the BCA will not be directly considered as part of the award of points for a rating factor.
8. Maps, drawings, renderings, and other graphical representations of the project or MID-URN target area and related geography submitted uploaded to www.grants.gov (total application must not exceed 200 MB in size), or by providing a password-protected link in your Exhibit A Executive Summary to a cloud storage service such as Dropbox, Google Docs or Drive, Microsoft OneDrive, Box, or Bitcasa. Files must be in a PDF or JPEG format. Include relevant copyright or ownership information within the body of each file. All submitted files must be referenced in your narratives by filename. HUD will not open or review unreferenced files. Such graphical representations will not count against the page limits provided they include no narrative text or data tables. Labels, legends, data sources, and copyright information are acceptable and expected.
 1. You may email the password for any cloud storage link to ResilientFuture@hud.gov. Include Applicant's name in the Subject line of the email. Include Applicant's name, a contact person's name and telephone number, and a list of the relevant filenames in the body of the email.
9. Application Certifications and Standard forms (see Appendix F for the certifications). Standard forms are available within the application package for this NOFA that may be downloaded at www.grants.gov. Applicants affix a signature to the certifications by checking the "I AGREE" box in Item No. 21 of the SF424. To complete the certification process, both the "I AGREE" box in Item No. 21 of the SF424 must be checked AND the certifications found in Appendix F must be attached to your application as Attachment C.
10. Blank/extra pages generated as part of standard forms.
11. Tabs/title pages that are blank or display a title/header/ "n/a" indication.
12. Sources and Uses statement included as part of the Budget submission in Phase 2.
13. Summary of citizen comments by topic with a list of commenters by name and organization (if any) and Applicant responses. This may be submitted as part of Attachment D Consultation Summary.
14. Data linked from or submitted separate and apart from the narrative in Exhibit B demonstrating the Unmet Recovery Need and most impacted and distressed threshold requirements. Data must be

summarized and described in the narrative, but may be provided separately in accordance with instructions in Appendix G.

c. CDBG-NDR-Specific Electronic Submission Requirements: Format and Title Instructions in Addition to the Electronic Submission Requirements in Section IV of the General Section.

(1) Exhibits and Exhibit Title Pages. Exhibits are as listed below. Each Exhibit should be contained in its own separate file in the application. Each file should contain one title page. Do NOT create title pages separately from the document it goes with. Provided the information on the title page is limited to the list in this section, the title pages will not be counted in the page limits. Each title page should only contain, in the following order:

- a. The name of the Exhibit, as described below, e.g., “Exhibit AExecutiveSummary.” WARNING: Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the www.grants.gov system and the application will be rejected with a “VirusDetect” message.
- b. The name of the applicant; and
- c. The name of the file that contains the Exhibit.

(2) Attachments and Attachment Title Pages. Attachments are as listed. Each Attachment should be contained in its own separate file in the application. Each Attachment that is not a HUD form should contain one title page. Provided the information on the title page is limited to the list in this section, the title pages will not be counted. HUD forms do not require title pages. Each title page should only contain:

- (a) The name of the Attachment, as described below, e.g., “Att1PartnerDocumentation.” WARNING: Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a “VirusDetect” message.
- (b) The name of the applicant; and
- (c) The name of the file that contains the Attachment.

Documentation Requirements. Documentation requirements are provided throughout the “Threshold Requirements” section \ and “Rating Factors” section of this NOFA, as relevant. Applicants must carefully review and follow documentation requirements.

Instructions on Application Organization and Content. The following provides instructions on the organization and content of your application. It lists the narrative exhibits and attachments, and instructions for each, that are required as part of the application. All narrative exhibits, attachments, and forms are required to be submitted in your application unless otherwise indicated.

Non-submission of any of the items below may lower your rating score or make you ineligible for award under this NOFA. Review the threshold requirements and the Rating Factors for the criteria and to ascertain the effects of non-submission. **Please be advised that not providing information clearly and consistently, and/or not providing exhibits and attachments in accordance with the instructions and documentation requirements in this NOFA, may negatively impact HUD’s ability to determine if your application meets threshold requirements to score your application. This could result in a determination of threshold non-compliance or a lower score. Please also only submit documents that are required to respond to a threshold requirement and/or rating factor.** HUD forms required by this NOFA will be made available at <http://www.grants.gov/web/grant/s/applicants/apply-for-grants.html> . The list of narrative exhibits and attachments, and instructions for each, are as follows:

Table of Contents. Complete the Crosswalk Checklist, indicating by Exhibit or Attachment Title and page number where required and optional responses are located in your application.

Phase 2 (In any of the Phase 2 exhibits, you may reference and summarize, and need not repeat in its entirety, material from your Phase 1 submission that is responsive to the Phase 2 Factor. Within any Exhibit, you must address the required elements, and you may do this by providing a cross reference to another Exhibit rather than repeating information.

(a) Exhibit A - Executive Summary. Please summarize your application briefly and specifically (suggested 3 pages maximum)

(b) Exhibit B - Threshold Requirements. Provide a narrative response to the threshold requirements.

(c) Exhibit C - Capacity. Provide a narrative response to the Capacity Factor. Remember to provide the required organization chart and to include information about each Partner. Attach the documents required in Appendices D and E.

(d) Exhibit D - Need. Review and provide a narrative response to the Need Factor.

(e) Exhibit E - Soundness of Approach. Review and provide a narrative response to the Soundness of Approach Factor.

(f) Exhibit F - Leverage. Provide a narrative response to the Leverage Factor. Remember to attach all supporting documentation.

(g) Exhibit G - Long-Term Commitment. Provide a narrative response to the Long-Term Commitment Factor. Applicants must include a baseline and goal outcome measure (including expected duration of the outcome being measured), and effective date for each commitment.

(3) Attachments. The attachments required in your applications, unless otherwise noted, do not count against page limits and are as follows:

(a) Attachment A - Partner documentation. Documents required under Appendices C and D for each Partner, if applicable.

(b) Attachment B - Leverage documentation. Provide supporting documentation for the leverage factor, including letters of commitment, as described in the Leverage Factor.

(c) Attachment C – CDBG-NDR Application Certifications. Applicants need only to include the Certifications, as presented in Appendix F, as Attachment C to their application and check the “I AGREE” box in Item No. 21 of their SF424 within grants.gov. The grants.gov electronic submission system will automatically populate the identified Authorized Organization Representative (AOR) name within the signature section.

(d) Attachment D – Consultation Summary. Complete the Consultation Summary described in Appendix I and submit it with your Phase 1 application. If you are invited to Phase 2, provide a separate updated Consultation Summary with your application. The Consultation Summary should also include a summary by topic of all comments received on the Application or amended submission and a list of commenters by name or organization.

(e) Attachment E – Maps and Drawings (optional). Maps, drawings, renderings, and other graphical representations of the project or MID-URN target area and overall project geography submitted uploaded to grants.gov (total application must not exceed 200 MB in size), or by providing a password-protected link in your Executive Summary to a cloud storage service such as Dropbox, Google Docs or Drive, Microsoft OneDrive, Box, or Bitcasa. Files must be in a PDF or JPEG format. Include relevant copyright or ownership information within the body of each file. All submitted files must be referenced in your narratives by filename. HUD will not open or review unreferenced files. Such graphical representations will not count against the page limits provided they include no narrative text or data tables. Labels, legends, data sources, and copyright information are acceptable and expected. You must email the password for any cloud storage link to ResilientFuture@hud.gov . Include

Applicant’s name in the Subject line of the email. Include Applicant’s name, a contact person’s name and telephone number, a list of the relevant filenames, and the password in the body of the email.

(f) Attachment F – Benefit-Cost Analysis. Submit your Benefit-Cost Analysis for each Phase 2 Covered Project, completed as described in Appendix H. (Required for Phase 2 applications for Covered Projects only)

(g) Attachment G – Waiver Requests (optional). Submit your waiver request(s) as described in Appendix E.

(h) Attachment H – Crosswalk Checklist. Complete and submit the Crosswalk Checklist from Appendix J of the NOFA. HUD will use this document during review to locate all required responses. When you fill out this checklist, you will be ensuring that your submission is complete and responds to all required elements of the NOFA.

(i) Attachment I – MID-URN Checklist A or B. Complete and submit a MID-URN Summary Checklist A or B, as appropriate, for each proposed target area for grant expenditure. (This is a checklist, no narrative inserted into the checklist beyond the labels, names, links or instructions for reviewers on how to find data will be considered for threshold or scoring purposes.)

Forms for your package include the HUD standard forms outlined below:

C. Application Submission Dates and Times.

Application Deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. Instructions on submitting your application to Grants.gov are contained within the Application Package you downloaded from Grants.gov.

The application deadline is 11:59:59 p.m. Eastern time on **10/27/2015**. Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

Your application must be **both received and validated** by Grants.gov. Your application is “received” when Grant.gov provides you a confirmation of receipt and an application tracking number. **If you do not see this confirmation and tracking number, your application has not been received.**

After your application has been received, your application still must be validated by Grants.gov. During this process, your application may be “validated” or “rejected with errors.” To know whether your application was rejected with errors and the reason(s) why, you must log into Grants.gov, select “Applicants” from the top navigation, and select “Track my application” from the drop-down list. If the status is “rejected with errors,” you have the option to correct the error(s) and resubmit your application before the Grace Period ends. **If your application was “rejected with errors” and you do not correct these errors, HUD will not review your application.** If your status is “validated” your application will be forwarded to HUD by Grants.gov.

Grace Period for Grant.gov Submissions: If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of one day beyond the application deadline to submit a corrected application that is received and validated by Grants.gov. Any application submitted during the grace period that does not meet the criteria above will not be considered for funding. There is no grace period for paper applications. See the General Section for more information about the grace period.

If you are required to submit supporting documentation you may either scan and attach these documents to your electronic application package or submit them via fax. If supporting documents are submitted by fax, you must use the HUD-96011 Facsimile Transmittal Form as a cover page; this form is located in your Application Package. You must send any faxes to the toll-free number **800-HUD-1010**. If you cannot

access the toll-free number or experience problems using that number you may use 215-825-8798 (this is not a toll-free number). If you or any other parties submitting documents for this application do not use the form HUD-96011 that came with your application as the fax cover page, the documents cannot be matched to the application. Consequently, these documents will not be considered when the application is evaluated. Additionally, if your fax machine creates a cover page, you must turn this feature off.

Amending a Validated Application: If you resubmit an application that was previously validated by Grants.gov, all documents faxed in support of the application must be faxed again using the form HUD-96011. You must fax the materials after the resubmitted application has been validated by Grants.gov. All faxed materials must be received by the applicable deadline.

Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

D. Intergovernmental Review.

This program is subject to Executive Order 12372, Intergovernmental Review of Federal Programs. Executive Order 12372 allows each state to designate an entity to perform a state review function. To determine if your state has designated a State Point of Contact (SPOC), please go to http://www.whitehouse.gov/omb/grants_spo/. States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a SPOC, you should contact the SPOC to see if that person/office is interested in reviewing your application before you submit it to HUD.

E. Funding Restrictions.

Statutory Time Limits.

1. Required Obligation Date. Funds appropriated for the CDBG-NDR program must be obligated by HUD on or before September 30, 2017. Any funds that are not obligated by that date will be recaptured by the Treasury, and thereafter will not be available for obligation for any purpose.
2. Required Expenditure Date. In accordance with P.L. 113-2, all CDBG-NDR funds must be expended within two years of the date HUD obligates funds to the grantee, unless a waiver is requested and granted prior (see Appendix E for more details). Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.
3. Grant Size. The maximum grant award possible following Phase 2 is \$500,000,000. The minimum award after Phase 2 is \$1,000,000. You must identify scaling and scoping options for your Phase 2 proposal as described in the Soundness of Approach Factor. Also see Appendix H for details in completing a BCA for each Covered Project or phase thereof in your application. HUD will consider Applicant submission of Unmet Recovery Need in allocating a reserve pool of up to \$30 million under a separate formula allocation Notice.
4. Budget Deductions. HUD may delete any unallowable items from your proposal and may reduce your grant amount accordingly. HUD will not fund any portion of an application that: (a) is not eligible for funding under specific HUD program statutory or regulatory requirements, as waived; (b) does not meet the requirements of this notice; or (c) is duplicative of other funded programs, cost, benefits, or activities. Only the eligible portions of an application (excluding duplicative portions) may be funded. Allowable costs for CDBG-NDR funds under this appropriation include only those necessary expenses to meet the unmet recovery needs of the most impacted and distressed target area identified in the application.
5. Grant Reduction or Recapture. If you are selected for funding, and if you then or subsequently propose to make a substantial amendment to your project, compared to what was presented in this application, HUD reserves the right to amend the award and reduce the amount or recapture the grant.
6. Withdrawal of Grant Amounts. If a grantee does not proceed within a reasonable timeframe, HUD

reserves the right to withdraw any funds the grantee has not obligated under their award. If funds are withdrawn prior to September 30, 2017, HUD shall redistribute any withdrawn amounts to one or more other jurisdictions eligible for CDBG-DR funding.

7. Ineligible Activities. See the Cross-cutting section and Appendix A regarding ineligible uses of program funds.

F. Other Submission Requirements.

Lead Based Paint Requirements

Partner. Each Partner must submit a letter of intent to participate as part of the Applicant's Phase 2 applications for CDBG-NDR funds. For Phase 2, a letter of intent AND a binding cooperation, sub-recipient, or developer agreement, or a contract, as applicable, with the Applicant, contingent on grant award must be submitted with the Applicant's CDBG-NDR application. See Appendices C and D for instructions on completing Partner documentation. The Applicant as Grantee will sign the Grant Agreement with HUD and be responsible for implementing the activities identified in application. The Grantee will be responsible for ensuring compliance with requirements that all CDBG-NDR costs be necessary and reasonable, but, in the case of a Partner specifically identified in the application that the Grantee would be otherwise required by program requirements to competitively procure, will not be required by HUD to undertake additional procurement competition to secure the services of any Partner for an application selected under this NOFA. (In many cases, this will entail the Grantee undertaking a cost analysis prior to making payments to such a Partner.) The provisions of 24 CFR 85.36 set forth the conditions under which a grantee may engage in a non-competitive, single source procurement (§ 85.36 (d)(4)). Grantees operating under part 85 are granted the authorization referenced under § 85.36 (d)(4)(i)(C) only regarding procurement of a duly documented Partner selected prior to the Applicant's submission to HUD. State grantees that have not adopted part 85 should review state or local requirements associated with single source procurement to ensure continued consistency with § 85.36 and are advised to follow all applicable procurement requirements. All partnership documentation must be submitted with the application to be considered. If a Partner dissolves the partnership after award and before activities are complete, the Grantee should make its best effort to replace the Partner with a similarly skilled Partner, if the Grantee's application was rated and ranked based on the capacity of the dissolved Partner. The Grantee's application may have to be re-rated and re-ranked based on the lost capacity unless the Grantee's application provided a contingency plan for such loss. If a Grantee wants to add a Partner that is a contractor after award, then that selection would not be covered by the single-source permission above and would be subject to procurement requirements under part 85 or State law. Partners are encouraged, not required.

Treatment of Covered Projects (Hurricane Sandy and 2013 Disaster Grantees only). Applicants that received a CDBG-DR allocation in response to Hurricane Sandy will apply for CDBG-NDR funding under the terms specified in this NOFA, but will additionally be subject to or encouraged to follow additional guidance covered by the Federal Register Notices published November 18, 2013 (78 FR 69104) and June 3, 2014 (79 FR 31964). In these Notices, HUD describes requirements imposed by Public Law 113-2 (Appropriations Act) and waivers and alternative requirements applicable to the second allocation of Appropriation Act funds in response to Hurricane Sandy and disasters occurring in 2013. These Notices include special requirements for infrastructure projects and programs, including additional requirements for major infrastructure projects that meet the definition of a "covered project."

The following paragraphs describe the treatment of "infrastructure projects," "related infrastructure projects," and "covered projects" (as defined in above-referenced Notices) by applicants that previously received grants in response to Hurricane Sandy and 2013 Disasters. This additional guidance only applies to CDBG-DR grantees covered by these Notices.

Applicants that Received a CDBG-DR Allocation in Response to Hurricane Sandy that wish to be considered for funding under the general pool of funding only:

1) Infrastructure Projects: HUD strongly encourages applicants that are subject to the November 18, 2014, Federal Register Notice to follow, to the extent applicable, the requirements for “infrastructure projects” and “related infrastructure projects” (defined in paragraph VI.2.b.) in paragraphs VI.2.c., through VI.2.f. (78 FR 69107). These applicants are also encouraged to follow the requirements for “covered projects” (defined in paragraph VI.2.g.) in paragraphs VI.2.g.(2)-(5) (78 FR 69107, 69108). Grantees are advised that paragraphs VI.2.g.(1) is inapplicable and is superseded by the project description requirements.

2) Covered Projects and Consultation with the Regional Coordination Working Group: In addition, although HUD review and HUD rating and ranking process described in this NOFA will supersede the HUD review of covered projects in paragraph VI.2.h., HUD encourages these applicants to submit activities that meet the definition of “covered project” to the Regional Coordination Working Group for consultation prior to applying for funding under the National Resilient Disaster Recovery Competition.

The goal of this coordination effort is to promote a regional and cross-jurisdictional approach to resilience in which neighboring communities and states come together to: identify inter-dependencies among and across geography and infrastructure systems; compound individual investments towards shared goals; foster leadership; build capacity; and share information and best practices on infrastructure resilience.

3) Procedures: Submissions documenting voluntary compliance may be submitted as an attachment to an application and will not be counted toward page limits in the application. Submissions to the Regional Coordination Working Group for consultation should be sent to HUD to forward to the Regional Coordination Working Group.

Applicants that wish to be considered for funding under the set aside of \$181 million for areas most impacted and distressed by Hurricane Sandy in New York State, New York City, and New Jersey. For applicants that wish to be considered for the Hurricane Sandy Recovery Set Aside (this may be in addition to the funding available to all applicants under this NOFA), submission to the Sandy Regional Coordination Working Group is mandatory. Accordingly, the actions described in paragraph I.A.(1) above are strongly encouraged, but the actions in paragraphs I.A.(2) and (3) above are mandatory for these grantees.

Applicants that Received a CDBG-DR Allocation in Response to 2013 Disasters. HUD strongly encourages applicants that are subject to the June 3, 2014, Notice to follow the requirements for “infrastructure projects” and “related infrastructure projects” (defined in paragraph V.3.b.) in paragraphs V.3.c. through V.3.f. (79 FR 31967, 31968). These applicants are also encouraged to follow the requirements for “covered projects” (defined in paragraph V.3.g.) in paragraphs V.3.g.(2)- (5) (79 FR 31968). Grantees are advised that paragraphs V.3.g.(1) and V.3.g.(5) are inapplicable and are superseded by the project description requirements and HUD rating and ranking process described in this NOFA.

Submissions documenting voluntary compliance may be submitted as an attachment to an application and will not be counted toward page limits in the application.

Reminders. In the process of preparing your submission, HUD also reminds you of the following, which may affect your approach to program design and the quality and compliance of your planning process and proposed project or program:

Affirmatively furthering fair housing. All activities under this NOFA shall be carried out in a manner that affirmatively furthers fair housing, as required by section 808(e)(5) of the Fair Housing Act, as amended (42 U.S.C. 3608(e)(5)). Each Applicant will make the required certification for CDBG-NDR activities,

included in Appendix F. Successful Applicants shall adhere to HUD regulations at 24 CFR §§ 91.225 (local governments) or 325 (states) and 24 CFR § 570.601 and take appropriate actions to support and document compliance with the certification.

Limited English Proficiency (LEP). For assistance in ensuring that information regarding the CDBG-NDR planning process and this application is available to LEP populations, recipients should consult the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons published on January 22, 2007, in the Federal Register (72 FR 2732).

Physical Accessibility. Note that all meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, Applicants and Partners must give priority to alternative methods of product or information delivery that offer programs and activities to qualified individuals with disabilities in the most integrated setting appropriate in accordance with HUD's implementing regulations for section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) at 24 CFR Part 8 and all applicable laws and regulations. In addition, all notices of and communications during all training sessions and public meetings shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities or provide other means of accommodation for persons with disabilities consistent with section 504 of the Rehabilitation Act of 1973 and HUD's section 504 regulations. See 24 CFR section 8.6.

Environmental review. Each Applicant under this NOFA will undertake environmental review responsibilities related to any awarded funds in accordance with Appendix A. This includes complying with environmental justice requirements as set forth in Executive Order 12898 (59 FR 7629) and HUD's regulations.

Floodplain Management and Protection of Wetlands. HUD CDBG-DR grants must conform to Executive Orders 11988 on Floodplain Management and 11990 on Wetlands, as well as HUD's regulations at 24 CFR 55, and 58, which may include identifying alternate locations, and, as necessary, modifying the project.

Design. HUD is seeking high quality designs. You are encouraged to select your architects, engineers and planners, and enlist local affiliates of national architectural, engineering and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, The American Society of Civil Engineers, the American Planning Association, and the department of architecture or engineering at a local college or university to assist you in assessing qualifications of design professionals or in participating on a selection panel that results in the procurement of excellent design services. You are strongly encouraged to select a design team that is committed to a process in which all residents and other stakeholders affected by the Qualified Disaster in your most impacted and distressed target areas participate in identifying threat(s) and/or hazard(s), vulnerabilities, and community development objectives and designing the resilient recovery proposal(s).

Prior to obligation of funds by HUD, the grantee will demonstrate that the engineering design for a project is feasible if a registered Professional Engineer (or other design professional) certifies that the design meets the appropriate code, or industry design and construction standards. HUD will not undertake an up-front comprehensive feasibility and effectiveness review of a proposed project because ensuring that a CDBG-NDR project is feasible, including having an appropriate design that will result in the proposed benefits (including meeting a national objective and carrying out activities in accordance with the Grantee's Action Plan), and meets cost-reasonableness standards is a Grantee responsibility under the certifications provided with the application. The Phase 2 evaluation process will include consideration of feasibility and effectiveness of the project against current and future threats (see Factor 3). If during application review, HUD or other panel members identify any risk factors inherent in the proposed project, including project feasibility risks, HUD will impose additional management conditions on the grant, such as those listed in 24 CFR 85.12.

HUD encourages innovative proposals; however, all projects must consist of technologies that can be demonstrated to be effective.

In Phase 2, your Sources and Uses response must identify all project costs. CDBG-NDR funds may not be used for operations and maintenance of the project. Additionally you must identify the source(s) and plan for operations and maintenance in your Leverage factor response and in your BCA, if applicable.

HUD expects well-designed projects to identify and, at a minimum, meet design or resilience standards as follows:

Safe Room. Any Safe Room construction, reconstruction, or rehabilitation is at least consistent with the requirements of FEMA P-320 or FEMA P-361.

Wind Retrofit. Wind retrofit construction, reconstruction, or rehabilitation activities funded under CDBG-DR are required to be implemented in conformance with FEMA-804.

Flood-related Activities. HUD recommends flood projects be designed and constructed in conformance with the design criteria of ASCE/SEI 24-05 as a minimum standard, if applicable.

Levees, Floodwalls and other flood control structures. HUD expects the Applicant or one of its Partners to take responsibility for operating and maintaining any levee, floodwall, or other flood control structure. One function of such a structure must be for the purpose of providing flood protection for existing structures at risk of flooding, although the CDBG-NDR project incorporating such a structure must also meet an Unmet Recovery Need and may include co-benefits that meet other community development objectives, but must not be created to reduce flooding to currently undeveloped land. A levee system proposed under this NOFA must be technically sound (i.e. levee is tied off to high ground, is geo-technically stable, etc.), well maintained, and provides reliable flood protection. Any levee proposed under this NOFA must meet FEMA accreditation standards on completion and the Sources and Uses statement must identify and the Leverage response commit to providing a source of funding for operations and maintenance of the levee in perpetuity. If HUD provides funding for such structure under this NOFA, HUD will impose special Grant Terms and Conditions governing the use of the funds, as further described in Appendix A. These terms will require the Grantee to provide HUD with certain information to be shared with Congress, other federal agencies, and affected parties, in part for the purpose of insuring that no additional federal resources are used for operations and maintenance of the structure in future. The terms also will require grantees to provide certain notices annually to property owners in the affected areas.

Section 3 of the Housing and Urban Development Act (Section 3). Applicants must certify that they will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and HUD's implementing regulations at 24 CFR part 135. These authorities require recipients to ensure, to the greatest extent feasible, that training, employment, and contracting opportunities will be directed to Section 3 residents and Section 3 business concerns. Additional information on these requirements can be found at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opportunity/section3/section3.

V. Application Review Information

A. Review Criteria.

A.1. Rating Factors.

Phase 1	Points	Minimum
Factor 1 - Capacity	25	12
Subfactor: General Management	5	
Subfactor: Technical Capacity	7	
Subfactor: Community Engagement	7	

Subfactor: Regional Capacity	6	
Factor 2 - Need/Extent of Problem	25	15
Subfactor: Unmet Needs	5	3
Subfactor: Most Impacted and Distressed	5	3
Subfactor: Responses to questions	15	
Factor 3 - Soundness of Approach	30	15
Subfactor: Stakeholder consultation	15	5
Subfactor: Ideas/Concepts	15	5
Factor 4 - Leverage and outcomes	15	
Subfactor: Outcomes	7	
Subfactor: Leverage Narrative	6	
Subfactor: Leverage commitments	2	
Factor 5 - Long-Term Commitment	5	1
Phase 1 Subtotal	100	65
Phase 2		
Factor 1 - Capacity	20	14
Subfactor: Past Experience	10	
Subfactor: Management structure	10	
Factor 2 - Need	20	
Subfactor: Target area/unmet needs	5	
Subfactor: Resilience need	8	
Subfactor: Best actions	7	
Factor 3 - Soundness of Approach	40	25
Subfactor: Project/frame correspond	10	
Subfactor: Increases resilience to current and future disasters	10	
Subfactor: Model/replicable/holistic	10	
Subfactor: Schedule	5	1
Subfactor: Budget	3	1
Subfactor: Plan consistency	2	
Factor 4 - Leverage	10	
Factor 5 - Long Term Commitment	10	2
Subtotal Phase 2	100	75

Benefits - Cost Analysis		Benefits reasonably demonstrated to justify Costs
Total - Both Phases	200	125

Phase 1 Factor 1: Capacity**Maximum Points: 25**

a. General management capacity. (5 Points) You will be rated on the degree to which you demonstrate clear capacity, or a plan to get capacity, in managing federal funds, project management roughly on the scale of your idea or proposal, and leadership capacity to coordinate among proposed partners.

1. Have you decided on a specific government agency to implement the proposed activities? What is its role and management capacity?
2. Describe how the agency has (or plans to obtain) the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major project.
3. Describe the agency's experience working with and coordinating partners (including contractors, funders, subrecipients, community stakeholders, and other government agencies) in previous projects similar in scope of scale to the proposed activities. If you do not have such experience, how will you get it?
4. Who wrote this application, state/community staff or a professional technical or grant writer in a consulting or contract capacity? If a professional writer was the drafter, describe how the Applicant staff and decision makers were actively engaged in the writing process and how they will maintain Applicant systems understanding and analytic capacity over time.

b. Cross-disciplinary technical capacity (7 Points). For this sub-factor, you will be rated on the degree to which you and any Partners possess sufficient cross-disciplinary capacity to fully design and implement a major project(s).

1. Describe the capacity of each of your partners. Specifically identify areas of expertise for yourself and each Partner.
2. How will you work across disciplines in achieving project goals? What experience does your team have in multi-disciplinary work?
3. What experience do you and your partners have with area-wide or comprehensive planning? With implementing large, complex programs or projects?
4. Describe how you and your Partners have the data analysis, public works, affordable housing, environmental quality, community engagement, design and engineering, affordable housing, economic revitalization, and other relevant capacity to quickly launch and implement a major project? Alternately, how will you get the capacity?
5. Specifically, do you or your Partner(s) have the capacity to identify and assess science-based information on existing and future risks from climate change? What is your capacity to assess and address possible future conditions and risks and possible benefits and outcomes, including resilience, of project(s) or program(s) over their lifetimes?
6. Do you or any Partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities?
7. How will you determine and ensure excellent design quality that enhances long-term resilience? Is the Applicant's capacity to design or plan dependent on Partner capacity? If yes, describe the dependency.
8. What is your plan to regain capacity if a Partner drops out?
9. How do you determine whether a project is cost reasonable? Briefly describe your or your

Partners' experience with cost-benefit analysis, such as FEMA's Hazard Mitigation Cost Effectiveness process or cost efficiency analysis for Department of Transportation programs? If you are proposing to work with no partner(s), explain why your approach is appropriate given your circumstances. Also, describe how you will procure or otherwise acquire capacity in the areas listed above, as applicable.

c. Community engagement capacity (7 Points). You will be rated on the extent to which you show capacity and experience with productive engagement with a wide range of community stakeholders, including vulnerable populations.

1. Describe your and your Partners' capacity to engage community stakeholders, including those most likely to be affected by / most vulnerable to future threat(s) and hazard(s) including the effects of climate change, in discussing and identifying unmet recovery and resilience needs, and designing and selecting approaches to address the needs. How will feedback be implemented into the applications? Will outreach be done to continue keeping stakeholders involved in the process if the projects move into implementation?
2. How have you worked with and empowered formal and informal community leaders in the execution of past projects? In the recovery from your Qualified Disaster?
3. Do you or any Partner(s) have experience or capacity working with and harmonizing the contributions of diverse stakeholders in the consultation process?

d. Regional or multi-governmental capacity (6 Points). You will be rated on the extent you clearly demonstrate capacity to reach beyond the most impacted and distressed target area and work on a multi-governmental regional or statewide basis to address disaster recovery and resilience. (HUD strongly encourages using a multi-entity regional organization to expand the reach of the overall resilience effort beyond the most impacted and distressed target area for which CDBG-NDR funds may be used. Use of a multi-entity organization is not required and P.L. 113-2 requires that the Applicant not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy development, and financial management.)

1. What is the extent of your experience working on and effectively addressing regional problems?
2. Describe how you will work regionally on resilience. Are the threat(s) and/or hazard(s) you are addressing regional? Would local solutions negatively affect other areas? Would a regional solution be more practical, protect a greater population, and be more cost effective? Are there best practices that can be used in building this regional approach?
3. Have you considered how a regional approach could reduce protected class-related disparities and improve choices and opportunities for vulnerable populations?
4. Will you use an existing multi-entity organization or establish a new one to carry out your proposed project? If yes, describe the entity's role. If not, describe why not.

Phase 1 Factor 2: Need/Extent of the Problem

Maximum Points: 25

HUD requires all Applicants to frame unmet disaster recovery, disaster relief, affordable housing, restoration of infrastructure, and economic revitalization need using an evidence-based practice approach, to the greatest extent feasible. To that end, the Applicant must cite or provide quality data sources or other evidence or information used in determining Unmet Recovery Need and justifying the conclusion that a particular geographic area is most impacted and distressed as a result of the effects of the Qualified Disaster. See Appendix G for detail and instructions on determining and documenting most impacted and distressed and Unmet Recovery Need.

HUD will provide points for this factor based on your clarity and thoroughness in your response. At a minimum, your response must describe the Unmet Recovery Needs of the most impacted and distressed area(s) as a result of the Qualified Disaster(s). HUD strongly encourages you to consider

regional or statewide resilience needs that can be addressed with leveraged funding sources, and to specifically address present and future recovery, revitalization, and resilience needs resulting from current and projected effects of climate change in the geography considered.

First, provide a narrative summary with a cross-reference to your response to the Unmet Recovery Need and Most Impacted and Distressed threshold requirement. In your summary, describe your unmet needs and the characteristics and location of your geographic most impacted and distressed target area(s). HUD is only requiring you to submit one qualified most impacted and distressed target area to meet the threshold to participate in this competition. However, because the only allowable CDBG-NDR costs are necessary expenses tied back to the Unmet Recovery Needs of most impacted and distressed areas related to a Qualified Disaster, you may describe and justify additional most impacted and distressed target areas in your threshold submission and provide a summary for all areas in response to this Factor.

In addition, you must use a comprehensive risk approach to analyzing need that will inform the development of your proposed project or program. Your narrative must describe the science-based risk approach you will employ to select your project, or if proposing a recovery program, the approach you will employ to select projects and activities within your proposed program. At a minimum, your approach must include consideration of historical impacts and forward looking analysis of risks, including climate change and other risks that may affect the resilience of the community such as development patterns. This consideration should be based on a broad range of information and best available data, including forward-looking analyses of risks the affected project from climate change and other hazards, such as the Northeast, Midwest, Great Plains and Southwest United States Regional Climate Trends and Scenarios from the U.S. National Climate Assessment, the Sea Level Rise Tool for Sandy Recovery, or comparable peer-reviewed information. In addition, your approach should consider, to the extent feasible and appropriate, public health and safety impacts; direct and indirect economic impacts; social impacts; environmental impacts; cascading impacts and inter-dependencies within and across communities. You should employ an approach that, wherever possible, includes both quantitative and qualitative measures and recognizes the inherent uncertainty in predictive analysis.

In addition to the above, if you plan to approach responses to the factors from a geographic perspective larger than the minimum required geography (as HUD strongly encourages you to), you must provide a summary of the characteristics and location of that larger area(s) as well (5 points for Unmet Needs and 5 points for Impacted and Distressed).

Next, for Phase 1, consider and respond to the following questions, at a minimum as they relate to the Unmet Recovery Need tied back to the most impacted and distressed areas from the Qualified Disaster (15 points).

HUD expects you to comprehensively consider post-disaster threats, hazards, and vulnerabilities. What threat(s), hazard(s), or vulnerability(ies) are you are focusing on? How did you identify it/them? Who and what are/have been/will be affected by events related to them and what are the future risks from the threat(s), hazard(s), or vulnerability(ies)?

What data and other information did you use to identify the risk(s) or vulnerability(ies) and over what timeframe? The law directs HUD to use the best available data. Why is the information you considered the best data in your geographic area?

As reported in the May 2014 National Climate Assessment, effects of climate change are already being felt and will continue to be felt in the future. These effects must be taken into account using a risk management approach, accounting for relevant uncertainties. Given the history of your region, climate change projections, demographic and development trends, and other factors as appropriate, what risks is your community facing? How serious and likely are the risks? What are your “known unknowns”? To what extent are public and private buildings, improvements, and residences in your community un-insured or under-insured for the risk(s) you have identified? If your community has been subject to

repeated flooding, what is the estimated portion of the uninsured structures are subject to the so-called “one bite rule” related to the requirement to maintain federal flood insurance coverage? How has this affected and how will this affect your current recovery and future resilience?

What factors are affecting individual and community decision about purchasing and maintaining sufficient insurance?

How will addressing the threat(s) and hazard(s) related to this vulnerability(ies) address specific unmet disaster recovery, affordable housing, economic revitalization or restoration of infrastructure needs from the Qualified Disaster? How will addressing the risks from this vulnerability help your community recover, protect your community’s recovery projects/efforts, or revitalize your community from the effects of the disaster you had?

Are there risks with disproportionate effects on any population groups? Describe and identify whether the disproportionate effects relate to household income or a particular protected class. Will some of the risks disproportionately affect those with accessibility challenges? Can potential solutions benefit those with functional needs? Does the identified vulnerability(ies) offer any opportunity(ies) for disaster recovery and economic revitalization, including resilience to future and current risk? Why is addressing the risk related to this vulnerability important to your state, region, and local community?

Are there existing conditions in your community that exacerbate vulnerability (e.g. environmental pollution, significant economic downturn)? You may cross-reference and summarize your response to the Most Impacted and Distressed threshold, if such a condition(s) is described there?

What have you already done to address the risk from this vulnerability(ies)? What barriers are keeping you from completing a solution?

Phase 1 Factor 3: Soundness of Approach

Maximum Points: 30

Overall in this factor, HUD will evaluate your responses for clarity, thoroughness, completeness, and inclusion of the input from, needs of, and potential benefits to vulnerable populations and the businesses that employ and serve them. HUD will evaluate your responses related to the Consultation subfactor based on the overall breadth of your consultation (and planned consultation) with regional local governments, state agencies, and stakeholders and their involvement in framing issues, determining priorities. HUD will evaluate responses related to the Idea or Concept subfactor based on innovativeness, relevance of the idea or concept to the expressed needs and objectives, and the extent to which the idea expressed involves cross-disciplinary or greater regional approaches, with a special focus on issues of importance to vulnerable subpopulations.

a. Consultation. (15 Points) Framing a disaster recovery problem generally requires discussion with stakeholders to increase the Applicant’s awareness of their recovery needs, community development issues and priority vulnerabilities. At the same time, the Applicant can provide data and technical assistance to increase stakeholder ability to contribute to the framing process.

What are your plans for collaboration, outreach, and communication? What have you already discussed with stakeholders?

Who are the stakeholders for this project, and how have you worked with them on developing this proposal? How will you work with them if you are selected to go forward to Phase 2? How have you involved the greater community, especially vulnerable populations, in the development of this proposal? How have you worked with advocacy groups or directly with vulnerable populations to best identify their needs in the proposed approach?

Did any of your discussions with stakeholders bring to light potential cumulative impacts of your

risks and vulnerabilities? Describe.

Have you considered and discussed with stakeholders the indirect risks and vulnerabilities in the environment of your most impacted and distressed target area and (optionally) region or state, with particular attention to potential sources of contamination, such as wastewater treatment facilities or brownfields?

How have the results of the collaboration with stakeholders, project partners, and/or citizens shaped your proposal? Provide a summary of the consultation process and complete and submit the Consultation Summary form in Appendix I.

b. Idea(s) or Concept(s). (15 Points)

- Do you have an idea(s) or concept(s) that will address identified unmet needs and the risks and opportunity(ies) of your vulnerability(ies) in a way that will make you more resilient? What is/are your general idea(s)? Build something? Relocate something? Finance something? Are you open to alternatives, or are you already committed to a particular approach? What actions have you already taken to make your state/community more resilient? Do you want to augment or replace existing actions? How will you ensure your idea will be feasible and effective at supporting recovery and resilience? Does your idea provide long-term or permanent resilience?
- How are you considering potential co-benefits of implementing your idea (e.g. environmental and human health, workforce and business development)? Are there other community development objectives that can be met through your resilience project(s)? How does your idea represent integrated thinking across disciplines such as those listed in Phase 2 of the Capacity Factor?
- How has or will your proposal involve and address residents and small businesses that are least resilient or most vulnerable to future threat(s) and hazard(s), including future effects that may be caused by climate change?
- How will your idea affect adjacent areas (positively or negatively)? Describe both potential positive and negative effects.
- What are the local and regional interdependencies among sectors (e.g., housing, transportation, energy, environmental)? If you don't know, how have you or will you collaborate with your neighbors to learn about and consider these issues?
- Can you resolve your vulnerability(ies) and meet unmet recovery needs inside your jurisdiction, or will you need to work with other UGLGs or state(s) or regional organizations? If you need others, have you already approached them? If yes, are they supportive of this application? Do you have a formal agreement to cooperate? In what disciplines or areas? Can any other jurisdiction prevent you from addressing the risks from this vulnerability using your approach? Are there cross-jurisdictional mechanisms (plans, commitments, bodies with decision-making authority) that are already in place to support this activity?
- Characterize your community's overall approach to resilience now and in the foreseeable future. Characterize your community's approach to resilience incorporating risks associated with climate change. Does your most impacted and distressed target area(s) and region or state participate in the National Flood Insurance Program (NFIP) Community Rating System? Do you participate in any other state, regional, national, or international program that rates overall community commitment to resilience? If yes, briefly describe your commitment, rating, and results. Does your state or community have a climate change adaptation plan? If yes, briefly describe the actions it outlines.

HUD is linking leverage and outcomes in this section because resilient recovery projects usually need resources across a significant time period to achieve their goals and sustain their usefulness. Thus, leverage consists not only of planning, design and construction or implementation resources, it may also include resources to maintain or expand the improvement into the future, throughout its intended useful life. Maintaining an improvement across time is often easier if the improvement was designed and developed to be effective given future conditions and to be sustainable, in the sense of using green or natural resources or approaches compatible with or supporting the natural environment. Leverage may also include extending your resilience investments beyond the most impacted and distressed area(s) where you are allowed to use your CDBG-NDR assistance.

a. Outcomes (7 Points). For this rating subfactor, HUD will evaluate the degree to which your responses to the prompts demonstrate that you are seeking to achieve multiple disaster recovery (past) and community development objectives such as vulnerability and risk reduction (future) benefits in its effort. HUD will consider the degree to which you are seeking co-benefits from your proposed approach and that you measure and evaluate those benefits.

- How long do you want your solution to last? Are you considering a large-scale up-front effort followed by limited maintenance (such as a flood or fire buyouts program) or a multi-phase construction project that will continue over time and require substantial resources to maintain it, such as construction of sections of a levee? Have you considered infrastructure solutions, such as green or nature-based infrastructure, that provide co-benefits, like recreational opportunities, stormwater management, summer cooling, or habitat? Whether or not your idea involves infrastructure investment, what are the potential co-benefits of implementing your idea?
- How can your idea be implemented in an environmentally and financially sustainable way? Can your response to your vulnerability be an opportunity to bring one or more potential community assets, such as unemployed persons, Section 3 residents and businesses, or blighted property, into place/condition to help economically revitalize your most impacted and distressed target area, and region or state?
- What will success look like to you and how will you measure it? What specific program evaluation factors will you measure and incorporate in your Phase 2 proposal (if selected)?

b. Leverage (6 Points). For this rating subfactor, HUD will consider the degree to which you demonstrate commitment as an indicator of support in the community for the CDBG-NDR effort and the extent to which your response to narrative questions indicates a thorough exploration of potential funding and financing sources.

- What local or regional partners or resources are you aware of that could potentially address the implementation and maintenance aspects of your response to your vulnerability? What conversations have you had with insurance or reinsurance representatives to discuss how your issues and vulnerabilities might affect risk considerations and insurance premiums for public and private property in your most impacted and distressed target area, and region or state? How your idea might affect risk considerations or attract co-funding from insurers or other community stakeholders?
- How can potential co-benefits of implementing your idea (e.g. environmental and human health, workforce development) contribute toward its financing? Alternatively, what are the cost savings (by general type and order of magnitude) that you envision as part of the co-benefit approach (e.g. investment in X also saves money on Y)? What are the streams of public funding that are likely to be used differently as a result of this approach? For how long?
- To what extent do you have commitments that extend the reach of your idea or concept beyond the most impacted and distressed area eligible for CDBG-NDR funding? How far does your idea indicate your project may extend – multi-county, regional, statewide? To the extent you have

commitments at the time of a Phase 1 submission to support planning and future implementation activities, applicants must demonstrate supporting commitments in accordance to the guidance provided under Factor 4: Phase 2 Leverage.

Committed Leverage Resources (up to 2 Points). You will receive 1 point if your application includes a total commitment of direct financial assistance (e.g. cash) in an amount not less than \$50,000 from either yourself or a unit of general government Partner or a philanthropic organization and 2 points if the amount is not less than \$250,000.

Note that grantees will be required to show evidence that committed leverage resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of leverage funds may be substituted after grant award, as long as the dollar commitment is met.

Phase 1 Factor 5: Regional Coordination and Long-term Commitment

Maximum Points: 5

Describe any significant or major steps you have already taken or are seriously considering that commit you to increasing the resilience in your jurisdiction regardless of whether you receive a CDBG-NDR award. HUD will only award points for Phase 1 or invite an Applicant to Phase 2 if it has already taken (after the date of the Qualified Disaster) or firmly commits to take within one year of the announcement of Phase 2 results, one or more actions improving permanent resilience in a geography including at a minimum its most impacted and distressed target area(s). HUD will evaluate your response to this factor by assigning points for local, regional, and state commitments that may be reasonably expected to increase resilience. Up to 5 points are available and examples are provided in Phase 2: Factor 5 for categories and examples of changes that will be highly considered. In evaluating this factor, HUD will take into account the geographic scale of the area served by the resilience improvement or protection, and the degree to which the action as you describe it will clearly result in a significant improvement in resilience from the existing status or policy baseline for the area before the date of the Qualified Disaster. HUD will also take into account significant new actions taken after the date of NOFA publication. To receive points for this factor, you must provide a baseline and a goal outcome measure for at least one metric, (e.g., number of persons, households, businesses, acres of land, structures for XXX years) expected to be positively protected by each action or commitment. You must also provide the actual or planned effective date of any change. (See Factor 5: Phase 2 Long-Term Commitment for more detail.)

Phase 2 Factor 1: Capacity

Maximum Points: 20

a. Past Experience of the Applicant (10 Points)

You will be rated on the extent to which you demonstrate recent experience in a wide range of areas related to understanding, planning for, and implementing disaster recovery and economic revitalization project(s) and program(s) in your community, together with experience working productively with team members and diverse stakeholders.

Provide examples of recent experience (within the last 3 years) managing resilient disaster recovery or other activities similar in scope, scale, and complexity to the ones you are proposing to undertake.

Examples must include a discussion of the specific tasks undertaken, actual results achieved, and the specific skills and resources applied to each task. Describe concisely and separately your experience and the experience of your Partner(s) in the specific activity categories proposed, including at a minimum experience with, as applicable to your project or program:

General Administrative Capacity

- Project management (or program management as applicable) and logistics
- Procurement (both professional services and construction)
- Contract management
- Financial management
- Accountability, Quality Control/Quality Assurance, Monitoring, Internal Audit
- Rapid program design and launch
- Determining, tracking, and evaluating project or program outcomes

Technical Capacity

- Risk, impacts, and vulnerability assessment, including integration of information on extreme weather events, climate variability, and climate change
- Management of project design (architecture, landscape architecture, and engineering)
- Site, city, and regional planning
- Flood insurance and floodplain management
- Insurance industry issues
- Green (nature-based) infrastructure planning and implementation
- Pre-development site preparation
- Property disposition (as applicable)
- Leveraged/mixed financing
- Acquisition and disposition of real estate, including voluntary and involuntary relocation of homes and businesses,
- Rehabilitation and reconstruction of housing, commercial, industrial, and other structures,
- Redevelopment of property, from procurement through occupancy or final use
- Remediation of brownfields and contaminated sites and ecological restoration
- Accessing operating and investment capital
- Assessing technical feasibility and value engineering

Community Engagement and Inclusiveness

- Regional collaboration
- Cross-disciplinary collaboration
- Community Engagement and Outreach, especially with vulnerable populations and their advocates
- Project coordination in partnership with other key implementing stakeholders
- Consultation and stakeholder involvement during need determination, design, implementation, commissioning, and evaluation phases of a project
- Working productively with other organizations, including meeting management (both facilitation and scheduling).

b. Management structure (10 Points)

HUD will evaluate this factor on the extent to which you demonstrate having and understanding a management structure consistent with high-quality implementation of a project or program of the scale you propose. References will be considered to the extent that they are relevant and independent.

(1) Existing Management Structure. You must provide a description of your existing management structure, including any gaps or vacancies, or positions contingent on award, AND including an organizational chart that identifies all key management positions and the names and positions of staff that will manage CDBG-NDR. You must also describe your key staff or positions and their specific roles and responsibilities for the day-to-day management of your proposed project or program.

If you are applying with a Partner(s), provide this information for each organization and also describe the role of each entity. Clearly state whether your capacity to implement the project depends on a particular Partner. Describe your contingency plan if any Partner fails to act or is

untimely. For any gap or vacancy, describe how and when you will fill the position or capacity gap. Do not include any individual's Social Security Number in your application.

For Phase 2, HUD will consider Partner capacity in scoring this factor if, for each Partner, your application submission includes a letter of intent and AND a binding cooperation, subrecipient, or developer agreement, or a contract, as applicable, with the Applicant, contingent on grant award. See Appendices C and D for instructions on completing Partner documentation.

(2) References. You must include at least two references for recent work similar to, or of similar scope to, the programs covered under this NOFA and proposed to be undertaken by you. In addition, you may include one reference for each Partner. References should only include a contact name, address, phone number and email address so HUD may verify the information.

Alternatively, one reference may include one major news/feature or journal article, independent program evaluation, or a transcript from a reputable independent source other than you or a Partner. No video or audio recordings may be submitted. Such an article, evaluation, or transcript may be included in Attachment A Partner Documentation.

Note that under Public Law 113-2, applicants may have a contractor assist in administration of the grant but they cannot cede inherent governmental responsibilities to a contractor.

Under this Capacity factor, HUD will only consider Partners who have firm agreements to work with or for the Applicant if award is made (see Appendices C and D).

Phase 2 Factor 2: Need/Extent of the Problem

Maximum Points: 20

a. Unmet Recovery Need and Target Geography (5 Points; URN also a threshold factor) HUD is looking for thorough, evidence-based descriptions of Unmet Recovery Needs in the most impacted and distressed area and of resilience and recovery needs in a wider geography (region or state), with a clear, logical conclusion regarding the most appropriate approaches to address the identified needs.

You have completed Phase 1 and have a broad general framework that should extend beyond the CDBG-NDR MID-URN target area and beyond Unmet Recovery Needs and into the resilience needs of the larger region. Now you are proposing a specific project(s) for CDBG-NDR implementation funding, supported by leverage funding. In this narrative, you will focus on the MID-URN target geography and needs addressed by the specific project(s) for CDBG-NDR assistance, and you will also describe the use of the related funding described in the leverage factor (which may include supporting investments outside the most impacted and distressed target area).

You must identify the specific overall geography in which you will carry out your NDRC proposed program or project, by eligible county and relevant smaller geographic area, such as local jurisdiction, neighborhood, and Census tract(s) or Census block group(s).

Within the proposed overall NDRC geography, you must identify separately the CDBG-NDR MID-URN target area(s) that qualifies under the Unmet Recovery Need and most impacted and distressed threshold criteria (which should be substantially the same or inclusive of the geography that you discussed in your Phase 1 response to this Need Factor), if the overall NDRC proposal and the MID-URN area(s) are not identical. If a large number of Census tracts are involved, a list of the tracts may be submitted within Attachment F that will not count towards the page limit. You may apply for more than one project in more than one MID-URN target area; if you do, indicate, provide delineated data for, and name each area. Also, describe each Covered Project separately in

the BCA responding to Appendix H.

Update your Phase 1 analysis by providing a narrative describing the nature and extent of URN and other needs in your MID-URN target geography, noting any additional sources of information or data that may have changed the conclusions of your Phase 1 analysis. For Phase 2, you will add narrative (if it was not included in Phase 1) focused on any sub-area(s) that will be served or most affected by your proposed Phase 2 project(s) or program(s), based on best-available information from reputable sources.

At a minimum, your narrative for this factor must address how the target area(s) qualifies as MID, and describe quantitatively the URN, revitalization, and additional resilience needs in this area. (As in Phase 1, needs for resilience must consider and address current and future threats and hazards.) As in Phase 1, HUD encourages you to consider and discuss needs in a broader geographic area. If you do, you must explain how the most MID-URN area served by your Phase 2 project fits into or relates to the overall area.

The Phase 2 Benefit-Cost Analysis (BCA) must at a minimum reflect benefits and costs associated with the Covered Project that will address the needs described in this section; however, HUD encourages applicants to consider additional benefits and costs beyond those directly related to the needs described. Additional information or narrative to explain how monetary costs or benefits are established for the purpose of calculating a benefit-cost ratio may be included in the BCA Attachment to your Phase 2 application without counting against the application page limit.

In Appendix G, HUD provides the definition of “most impacted and distressed” that was used for formula allocations of P.L. 113-2 funding, along with a link to the data supporting the calculations. As with Phase 1, you may accept HUD’s definition for threshold purposes. However, for Phase 2, HUD expects the best applications to use quality data to further support and to describe other aspects demonstrating how the specific Phase 2 MID-URN target geography is most impacted and distressed and has remaining recovery needs.

b. Resilience Needs Within Recovery Needs. (8 Points) Disasters result in loss of life and significant disruptions for communities, and are costly. Asking, “How much less costly could this event have been if...” may provide a starting point to help you and stakeholders better understand the value of investment in resilience. To the extent that this narrative overlaps with your BCA for a Covered Project, you may provide a crosswalk or summary here for reviewers.

This section establishes a value (or range) for the unmet resilience needs embedded in your total recovery needs. You must identify using quality data from an identified source (to the extent possible) and address in your narrative:

(1) The extent to which action or investment that enhanced resilience could have limited the direct and indirect effects of the Qualified Disaster event(s). Include a general monetary estimate (within an order of magnitude, or scoped as a relationship to actual damages incurred) for at least two resilient policies, alternatives, or features, such as improved drainage, green and nature-based infrastructure, water use efficiency, floodplain or fire zone buyouts, modern building codes or better code enforcement, planning, regional coordination, that could have reduced your overall disaster recovery needs from the disaster(s) experienced in your MID-URN area(s).

For example, a response might discuss how strategically placed dunes and plantings could have limited by up to a certain percentage the flooding and property damage in certain areas during a coastal storm based on quality data from an identified source. (Your actual proposed project described in the Soundness of Approach factor must address your identified current and future needs.) Follow this formulation: “The disaster(s) in my MID-URN area and community affected the area/community in a, b, and c ways, and cost individuals d, local

government e, insurance f, state government g, and the federal government Q. If these policies, alternatives, or features of my proposed project or larger idea of which your Phase 2 project is a stand-alone portion(s) had been implemented prior to the disaster(s), my MID-URN area and greater community would have been affected by the disaster in x, y, and z ways and cost individuals h, local government i, insurance j, state government k, and the federal government M.” Describe the sources for your estimates.

(2) Considering the above, estimate the general amount of total investment in resilience necessary to appropriately benefit your community (not just the MID-URN area) cost-effectively now and in future. Put another way, how much could the resilience improvements you considered assist, protect, or support your long-term recovery and economic revitalization in your MID-URN target area? In the region or state? Describe how you arrived at your estimates.

(3) Past events have shown that vulnerable populations such as lower income households, persons with disabilities, homeless persons, the elderly, and minorities frequently are less resilient following a disaster. Describe the income characteristics of households in your MID-URN target area(s) and provide breakouts to the extent available for vulnerable population types. What are the specific unmet recovery and resilience needs of lower income households, and the businesses that employ persons from lower income households, in your target area? In the overall area affected by the Qualified Disaster? In the region or state? What are the key projected demographic and economic development trends for those regions, including, if data are available, the unmet needs of persons with disabilities or accessibility challenges? Will the effects of these trends affect recovery and resilience needs? Quantify and monetize to the extent feasible.

(4) Describe any relevant social, governmental, educational, environmental, or economic factors contributing to or hindering disaster recovery and resilience in MID-URN target geography and wider region.

c. Appropriate approaches. (7 Points) This is where you update the framing of your Phase 1 Idea or Concept. Based on the above responses and input from stakeholder consultation describe which CDBG-NDR activity or program type(s) (as waived) is the optimal choice to improve disaster recovery and resilience in your most impacted and distressed target area, and the greater region or state, as applicable. Also describe which CDBG-NDR ineligible action or approach is the optimal choice to improve and maintain resilience in your overall project area.

This is not the place to describe the specific projects you are proposing later in the Soundness of Approach factor. In this persuasive narrative, describe the more general logical conclusion(s) you have drawn from your consideration of the evidence you analyzed and the other information described above.

Given your analysis, what are the most appropriate recovery approaches or types of action to meet your unmet recovery and revitalization needs and address your community development objectives, including increasing resilience to current and future hazards and threats?

You must cross-reference or specifically update (iterate) your Phase 1 proposal in this response. For example, in a very low-lying area prone to repetitive flooding that the National Climate Assessment and other best-available information indicates will only worsen, the activity types most likely to improve both recovery and resilience might be voluntary flood buyouts inside the most impacted and distressed MID-URN target area using CDBG-NDR funds and in the larger NDRC proposal area using supporting leverage funds, with conversion of the buyout properties to absorb and contain floodwaters from future events as well as create areas that provide recreation and habitat. This could be paired with construction of new neighborhoods with affordable housing on higher ground for participating families and businesses. A coastal community subject to

extreme high winds and torrential downpours might choose more stringent local or statewide building codes coupled with an information campaign and incentives to create shelters in homes and public buildings, along with strategic stormwater management improvements, including reduction of impermeable surfaces.

Inappropriate activity types might include extremely expensive infrastructure projects with unclear or limited quantifiable benefits for community, regional, state, and national interests; or projects that do not correspond to the unmet recovery and resilience needs described, or that are not designed for future conditions. Inappropriate activities would also include those that enable or encourage building in areas of high risk, or those predicted to face greater threats and hazards in the future.

Note again that consideration of how resilient infrastructure could limit disaster effects helps quantify the share and extent of unmet resilience need within the overall recovery and economic revitalization effort.

Phase 2 Factor 3: Soundness of Approach

Maximum Points: 40

In this factor, HUD is looking for compelling proposals reflecting sound approaches.

a. Sound Approach Description. A sound approach addresses comprehensive recovery, including the risks from vulnerabilities and community development objectives identified in Phase 1 and the preceding factors in a manner that will clearly be effective in creating or supporting physical or economic recovery and maintaining it resiliently for the foreseeable future. A sound selection process can be defined as a clearly thoughtful process using current available science and consulting cross-disciplinary experts to identify and define problems, then researching and brainstorming solutions with significant community stakeholder involvement, and repeating this process recursively to arrive at comprehensive solutions for local issues. A proposal resulting from such a process will elegantly tailor an investment to the local resilience, recovery, and revitalization needs, and make every investment smart by having it serve multiple purposes and take advantage of every opportunity.

HUD expects a single, cogent narrative response to this section (including responses to the numbered topics below). In evaluating your narrative response to this section, HUD will consider the extent to which the correspondence between your project and the framing is:

- Clear, thoughtful, and compelling (10 points);
- Whether your proposal clearly and significantly increases resilience to current and future disasters in the most impacted and distressed area and beyond (10 points); and
- Whether your approach is a model, replicable, or holistic (10 points).

In assessing whether your proposal clearly and significantly increases resilience, you will be evaluated on the clarity of the linkage between your measures and the needs, risks, and objectives you framed, the practicality of creating or accessing the information you propose to track, whether the responsibility and resources for data collection are clearly assigned or available by agency or entity, and whether you incorporate periodic evaluation of program outcomes into your overall effort.

In responding to items 2, 4 and 5 below, you should build on and update your Phase 1 response regarding success and how you will measure it and propose clearly defined goals and outcomes for your proposed project(s). Over the useful life of the proposal, projects should increase the level of protection and lead to significant improvements in your community's resilience.

HUD amended the NOFA for this factor to emphasize items that must be done or present in

your application for it to score highly in this complex, critical factor. In this section, the “must” items are not threshold factors that will automatically remove your entire application from further consideration, but failure to include responses to each of these items will reduce your score.

In this context, your response to this factor must:

- (1) Provide credible evidence that, once in service or underway, your proposed project(s) will decrease risk to vulnerable populations and improve community(ies) resilience.
- (2) Propose at least one metric per category to track for each proposed project. Whether or not you are proposing a Covered Project, you must review the BCA instructions found in Appendix H and select metrics related to the “Resiliency Value,” “Environmental Value,” “Social value,” and “Economic Revitalization” categories that best relate to your proposed activities. HUD is allowing you latitude to set the measures for the desired outcomes that will result from implementation of your proposed projects and programs, requiring only that the proposed metrics be clearly relevant to measuring the success of your proposed project(s) in the context of the objectives you set out in response to this NOFA. HUD encourages you to go further and incorporate periodic evaluation of project outcomes, including resilience outcomes, into the scope of your overall effort.
- (3) Describe your proposed CDBG-NDR-assisted projects or programs and the alternatives you considered, clearly and concisely establish how the proposed project responds to and addresses your Unmet Recovery Need and the framed recovery issues as updated from Phase 1, and summarizes how your proposed project(s) or program(s) is eligible and meets a national objective (cross reference to your threshold response). (See Appendix E for instructions for waiver requests.)
- (4) Address the current and future risks from your identified vulnerabilities and other community development objectives. Specifically identify how and how much your overall proposal and your proposed CDBG-NDR-assisted project(s) will increase the resilience of your MID-URN target area, and region or state.
- (5) Describe how vulnerable populations benefit from your CDBG-NDR-assisted project and your overall proposal. Also, describe how you (or any partners) will train and employ Section 3 persons and will contract with Section 3 business concerns for economic opportunities per HUD’s rules at 24 CFR 135.9.
- (6) Describe how your proposal represents a model for other communities. Is your proposal scalable? Replicable? If yes, describe the mechanism. Does your proposal integrate existing required plans or strategies into a holistic vision?
- (7) Discuss feasibility. Your proposal, and especially each CDBG-NDR-assisted project(s), under this NOFA must be feasible, in the sense that you and your Partner(s) must be capable of implementing all of your proposed actions and activities sufficiently well to deliver the proposed benefits, including meeting the expected national objective. On another level, HUD will also consider whether your project has a feasible and effective design. For example, an infrastructure project must be designed in conformance with accepted design practices, established codes, standards, modeling techniques, or best practices. A project incorporating a financing assistance mechanism must respond to market conditions by identifying a market for the financial instrument and appropriately designing terms and conditions, and a project incorporating affordable housing must be designed to meet relevant building standards and be affordable to a particular market niche. For responses to this section, HUD will consider feasibility in the second sense, with a strong focus on how your project’s design will improve resilience. To this end:
 - i. Describe your overall proposal and each proposed CDBG-NDR project’s feasibility and effectiveness in providing protection from current and future threat(s) and hazard(s), including future risks associated with climate change. Indicate the level of protection and the expected useful life of your project(s) after implementation or completion.

- ii. Support the feasibility of the project by describing how the project design conforms (or will conform) with accepted design practices, established codes, standards, modeling techniques, or best practices.
- iii. Estimate the resources, including operations and maintenance, by type and amount needed to maintain the usefulness of the project(s) over that time and identify the source of those resources. (You may provide a cross-reference to your Budget or Sources and Uses statement.) See section IV.F Other Submission Requirements for guidance and requirements that may affect your description of your project's feasibility.

(8) Describe how you consulted and allied with other jurisdictions in your region during both phases. Update your Phase 1 submission for Appendix I – Consultation Summary. Discuss the parties involved, the issues discussed or negotiated and the actions taken to support your resilient recovery and to advance increased resilience to extreme events, shocks and stresses arising from the identified future threat(s) and/or hazard(s) of your region as well. Describe how your proposed project fits into this larger framework.

(9) Include optional (but encouraged) maps, drawings, renderings, and other graphical representations of the overall NDRC proposal or MID-URN target area(s). See the submission instructions in the Application and Submission Requirements section of this NOFA.

b. BCA. Completion of a BCA is mandatory for a Covered Project. Instructions are in Appendix H. HUD will not fund any project for which the benefits are not demonstrated by the evidence submitted to justify the costs. HUD recognizes that cost efficiency analysis is particularly difficult for community development objectives and will take that difficulty in account in considering responses.

c. Scaling/scoping. You must identify opportunities for scaling, scoping, or phasing your proposed project, including relevant funding amounts and timing associated with each individual part. For a Covered Project, each part must be separately considered under the mandatory BCA. HUD reserves the right to adjust requested funding amounts downward to fit unmet needs as determined by HUD. You may provide a narrative here describing your phase or scoping priorities.

d. Program Schedule (5 points). You must provide a detailed and feasible schedule for completing all of your proposed activities within 24 months of the effective date of the Grant Agreement, or, if you submit a waiver request with your application, within the time requested (see Appendix E for instructions on HUD's ability to extend deadlines and on making waiver requests.). Be sure to describe the level of environmental review required for your project(s).

The schedule must identify each task and significant activity required for completing each project, including procurement, environmental review and obtaining federal, state, and local permits, and should list the planned start and completion dates of all tasks and CDBG-NDR activities within the proposed project or program. Specifically include a milestone(s) for the date(s) at which you expect your project(s) to become functional and the expected benefits realized.

e. Budget (3 points). You must provide a budget for the CDBG-NDR-assisted project or program that includes and identifies by source any direct leverage. See Factor 4 Phase 2. The project or program budget will show all projected sources of funds and estimates and summarize costs at a minimum in the format required to set up and report on each project and activity in DRGR. (During Phase 2, HUD will provide all invited Applicants information on setting up and reporting on a CDBG-NDR project and activity in DRGR. (General DRGR technical information including guides, tools, webinars, and upload templates is available at <https://www.hudexchange.info/drgr> .)

Describe how you determined the budget and how you will ensure that the CDBG-NDR-assisted project will be cost-effective, and how you will ensure that costs will be in line with industry standards and appropriate for the scope of the project.

HUD will evaluate your proposed project cost estimate on the extent to which projected sources are sufficient for the scope of the proposed project as a whole (not just the CDBG-NDR-assisted portion, to the extent the scopes differ).

Also provide a detailed Sources and Uses statement for each project or program within the NDRC proposal that reflects all funding, including leverage and identifying any related supporting commitments. The Sources and Uses Statement is not subject to page limits and may be submitted as part of Attachment B Leverage Documentation. The proposed uses for the CDBG-NDR funds must be identified in a separate column from other funds. You may provide additional description of your cost estimate in the narrative as needed to provide further detail on costs and/or detail restrictions associated with other sources.

f. Consistency with Other Planning Documents. This rating factor evaluates whether each applicant can provide evidence of consistency with other planning documents.

(Up to 2 points)

(1) Consolidated Plan and/or Regional Sustainability Plan. You will receive 1 point if the proposed activities are consistent with the Consolidated Plan and/or with a regional sustainability plan for the jurisdiction in which the most impacted and distressed target area is located. All applications must include the Certification of Consistency with the Consolidated Plan (form HUD-2991) in your attachments or the Applicant must commit to updating the Consolidated Plan within 6 months of grant award. You must provide a copy of the relevant section from the regional sustainability plan or letter from the appropriate regional planning official in your attachments. Zero points will be awarded if the required documentation is not provided.

(2) Mitigation Plan and/or Transportation Plan (for example, SIPs, TIPs, long-range transportation plan). You will receive 1 point if consistent with FEMA approved Local Mitigation Plan and/or DOT-approved Transportation Plan covering the most impacted and distressed target area. Provide relevant section from the plan/letter from the appropriate planning official in the comments (not covered by page limits). Zero points will be awarded if the documentation is not provided.

Phase 2 Factor 4: Leverage

Maximum Points: 10

HUD views leveraged commitments as an indicator of support in the community for this CDBG-NDR effort (Phase 1) or project (Phase 2). These additional resources will also increase the effectiveness of the proposed grant activities. These rating factors evaluate the extent to which you demonstrate that you have secured from other sources either direct financial commitments to implement the CDBG-NDR-assisted project or program proposed in this application or supporting commitments to support the overall proposal, in accordance with the criteria below.

Direct Financial Commitments. A direct financial commitment (direct leverage) is cash committed by an Applicant or a Partner to the CDBG-NDR-assisted eligible activity, project, or program itself, and the funding is available to you to directly carry out your CDBG-NDR proposal. All direct leverage must be included in the budget for the project together with the CDBG-NDR assistance, as described below and in Factor 3 - Phase 2. HUD will accept as direct leverage a pledge of planning and administrative costs incurred by the Applicant (including costs incurred under a contract for planning or administrative

services), but HUD will not accept a pledge of in-kind costs incurred by Partners, subrecipients, or other entities as direct leverage.

Supporting Commitments. A supporting commitment (or supporting leverage) is funding that you or your Partners have available to carry out activities that directly support the overall proposal, but are not

part of the sources and uses of the proposed CDBG-NDR-assisted project or program. Examples of this type of commitment include a university professor who received grant funding to conduct a healthy environment study for the target area or a city that commits its own funding to conduct a traffic redesign study for an intersection or corridor in the target area or a state that changes its low-income housing tax credit qualified allocation plan to direct tax credit resources to meet affordable housing unmet needs of the target area. This does not include in-kind contributions, such as professional staff time or office and meeting space from your Partners. Leverage points will not be awarded if the leverage documentation does not indicate that the supporting commitment supports the overall proposal.

Requirements that Apply to Leverage. You must follow these requirements in compiling and documenting leverage for purposes of Phase 2 of the NOFA. Otherwise, it may not be possible for HUD to count the direct or supporting commitments at the levels claimed. These general requirements apply to all leverage resource commitments, both direct financial commitments and supporting commitments.

(1) **Firmly Committed.** Resources must be firmly committed as of the application deadline date. “Firmly committed” means that the amount of the resource and its dedication to CDBG-NDR Grant activities is explicit. Endorsements or general letters of support from organizations or vendors alone will not count as resources and should not be included in the application. An estimate or maximum amount identified in leverage documentation such as a contract or sources and uses statement alone is insufficient to demonstrate firm commitment. The leverage documentation must demonstrate a minimum amount that is firmly committed to count as direct or supporting leverage.

(2) **Content.** Leverage documents must represent valid and accurate commitments of support pledged after the initial publication of this NOFA on September 17, 2014. They must detail the dollar amount and any terms of the commitment. For direct leverage, the documentation must also indicate that the funding is available to you for the activities directly related to undertaking your CDBG-NDR proposal. For supporting leverage, the documentation must indicate that the funds are available to you or to your Partners to carry out activities that directly support the overall proposal.

(a) If a commitment document is for more than one resource and amount, each resource and amount should be indicated individually in the document rather than in one lump sum.

(b) An example of a good commitment: “X Agency commits to providing \$100,000 in funds for a technical study to support the CDBG-NDR proposal in XX target area.”

(c) Statements that the commitment is subject to the award of CDBG-NDR grant funds are acceptable, so long as the commitment is firm.

(3) **Signature.** Resource commitments must be written and signed by a person authorized to make the commitment and dated. For example, a PHA nonprofit’s Executive Director cannot commit the funds of another agency, organization or government body (unless you can demonstrate otherwise in the application).

(4) **Letterhead or Partner documentation.** Direct and supporting commitments made by the Applicant or by another entity to the Applicant for use by the Applicant must be on letterhead or they will not be accepted. Supporting commitments made by your Partners must be accompanied by the Partner documentation required by Appendices C and D. The supporting commitment must be made on letterhead of the Partner if it is not made in the Partner Letter or Partner Agreement.

(5) **Submission Date.** If the commitment document is not included in the application and submitted before the NOFA deadline date, it will not be considered.

(6) **Ineligible Staff Resources.** Staff time and benefits of the Partner(s), subrecipients, or other entities (if any) are not an eligible leverage resource.

(7) **Sources of Leverage.** Funding may come from a variety of sources, including any of the following:

(a) Public, private, and nonprofit entities;

- (b) State and local housing finance agencies;
- (c) Local governments;
- (d) Foundations;
- (e) Government Sponsored Enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac;
- (f) Colleges and universities;
- (g) HUD and other federal agencies, provided the statutory language of the funding source allows the funds to be used for these purposes. (HUD will not make a determination regarding whether other agencies will permit the pledge of a federal award as leverage). Public Housing funds and other funding provided under the U.S. Housing Act of 1937, as amended may be not used as match or leverage. Funds awarded under P.L. 113-2 may not be considered as leverage. Annual Community Development Block Grant (CDBG) awards under the HCD Act may be considered, however, to be considered as leverage, the proposed activity must be included in the CDBG recipient's annual action plan. Such plans may be amended to include the CDBG-NDR funded activity(ies) eligible under those grants;
- (h) Financial institutions, banks, insurers;
- (i) Other private funders; or
- (j) Tax credits will be considered as leverage in the amount of the face value of the tax credit, but the amount of the investment necessary to generate the tax credit will not be considered as leverage unless firm commitment documentation is provided from the investors in addition to the documentation of the pledge of tax credits.

(8) Although direct and supporting commitments must generally be pledged after the initial publication of the original NDRC NOFA on September 17, 2014, HUD will accept as leverage a general award that was made to the Applicant prior to the initial publication of the NOFA if the Applicant can show that the Applicant made a determination about the use of the award for an activity and geography after September 17, 2014. For example, FEMA public assistance awards are generally made immediately after the disaster (before NOFA publication) and therefore would not be acceptable as leverage. However, HUD may accept the pledge of these funds as supporting leverage if the applicant can show that the CDBG-NDR funds enabled the grantee to redirect, expand, or complete the FEMA public assistance project in the overall target area.

(9) Leverage Source May Not Consider CDBG-NDR or CDBG-DR Funds as Match or Cost Share. No funds may be counted as direct commitments or supporting commitments to the extent that CDBG-DR or CDBG-NDR funds are considered match or cost share by the source of those funds.

(10) Direct commitments that are leverage must be included in the overall project(s) Budget(s) required in the Soundness of Approach Factor (Factor 3 – Phase 2, item (e)).

(11) Note that grantees will be required to show evidence that committed leverage resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of leverage funds may be substituted after grant award, as long as the dollar commitment is met.

(12) The Applicant cannot charge to the grant any administrative and planning costs pledged as leverage.

You will receive up to 10 points as described below based on the amount of leveraged commitments relative to the amount of CDBG-NDR funds requested. In calculating the ratio, HUD will only include supporting commitments in an amount up to 1.5 times the amount of cash leverage that has been firmly committed. For example, if \$200,000 of cash leverage is committed and \$400,000 of supporting commitments is acceptable, HUD will only include \$300,000 of the supporting commitments. If you propose both metro and non-metro projects in one application, HUD will score leverage commitments for each project in the appropriate column and award points

based on the weighted average score between all projects. The weighting will be based on the specific percentage the leverage represents in relation to grant funds requested.

Leverage Commitments as Percent of Grant Funds Requested (Applications for a Metro Area)	Leverage Commitments as Percent of Grant Funds Requested (Applications for a non-Metro Area)	Points Awarded
200 percent above	100 percent above	10
Between 130 percent and 199.99 percent	Between 65 percent and 99.99 percent	9
Between 100 and 129.99 percent	Between 50 percent and 64.99 percent	7
Between 70.00 and 99.99 percent	Between 35.00 and 49.99 percent	5
Between 40.00 and 69.99 percent	Between 20.00 and 34.99 percent	3
Between 10.00 and 39.99 percent	Between 5.00 and 19.99 percent	1
Below 10 percent	Below 5 percent	0

Note that grantees will be required to show evidence that committed leverage resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of leverage funds may be substituted after grant award, as long as the dollar commitment is met.

Phase 2 Factor 5: Regional Coordination and Long-Term Commitment

Maximum Points: 10

Before awarding points to your proposal for this factor, HUD requires a demonstration that you are committing your community to a more resilient future whether or not your proposal is selected for funding under this competition.

You made a commitment in Phase 1. Have you completed the action you committed to? If not, provide your key milestones for completing that action within twelve months of Phase 2 grant award announcements.

What is the big change(s) you are making to improve resilience in your target area, region, or state? What actions have you already taken to establish measurably higher standards to improve resilience? HUD will evaluate your response this factor by assigning points for local, regional, and state commitments that may be reasonably expected to increase resilience. Up to 10 points are available and examples are provided below for categories and examples of changes that will be highly considered.

In evaluating this factor, HUD will take into account the geographic scale of the area served by the resilience improvement or protection, and the degree to which the action as you describe it will clearly result in a significant improvement in resilience from the existing status or policy baseline for the area before the date of the Qualified Disaster. HUD will also take into account significant new actions taken after the date of the original NDRC NOFA publication September 17, 2014.

To receive points for this factor, you must provide a baseline and a goal outcome measure for at least one metric, (e.g., number of persons, households, businesses, acres of land, structures for XXX years) expected to be positively protected by each action or commitment and the duration of the effect of each action or commitment. You must also provide the actual or proposed effective date of the action or commitment. Individual project or activity goals or outputs are not responsive to this factor.

If such action or commitment is not already implemented before your submission for Phase 2 but is planned for completion or implementation within one year of Phase 2 grant award announcements, you may include the action or commitment in this factor only if you also submit as an attachment to your application a signed letter with a firm commitment on the part of the entity responsible for taking

and implementing the action to complete the changes by a date certain, subject to loss of some or all awarded funds to you if the entity fails to complete the change(s). (Such attachments are not subject to the page limits.)

If you are proposing a Covered Project, you will only receive points for an action or commitment if you incorporate consideration of the effects of the action or commitment into your BCA by quantifying (or attempting to quantify) its value.

The categories of long-term commitments or actions are listed below. Your narrative response to this factor will indicate the appropriate category for each action or commitment you choose.

a. Lessons learned. Describe how the lessons learned in developing and implementing your proposal will be embedded in your community's and your region's overall approach to resilience and recovery. Focus on changes that you or your Partner(s) are committing to undertake and that are most likely to measurably improve resilience at least during the projected useful life of your proposal for Phase 2, if not permanently. This subfactor is the general or miscellaneous category. If your commitment or change fits better under one of the subfactors below, you should describe it there, not here.

b. Legislative action. If you or any governmental Partner(s) have taken or will take legislative action(s) after the September 2014 date of publication of the original NDRC NOFA to enhance the resilience of your community(ies), describe the specific action(s). Examples of such actions include implementing significant updates to state and local building codes or zoning that reduces an identified vulnerability, and other matters within the span of control of the Applicant and public sector Partners.

c. Raising standards. HUD is encouraging you to consider raising enforceable standards for construction and other real property significantly above the minimum, but will also provide points to those communities who have already adopted above-established-guidelines-or-minimums standards that are measurably increasing resilience now and will continue to do so into the foreseeable future. Your response must identify your existing standard, if any, and the change you have already undertaken or propose.

1. If your community is subject to flooding, do you or will you require freeboard above the minimum NFIP requirements? Describe the requirement, and how this is or will be required and enforced in your state, region, or most impacted and distressed target area. For example, a community(ies) in your target area may opt to use FEMA's latest maps plus at least 2 feet above base flood elevation.

2. Have you or will you raise standards for permeable surfaces and include green roof requirements for new construction or substantial reconstruction in the floodplain? Describe the requirement, and how this is or will be required and enforced in your most impacted and distressed target area, region or state.

3. Have you implemented or will you enhance state or local wetlands preservation mechanisms or requirements, including a compensatory mitigation plan, statute or ordinance, or have you or will you otherwise guarantee that wetlands within the 500 and 100 year floodplains will be preserved? Describe the mechanism or requirement, as well as how this is or will be required and enforced in your state, region, or most impacted and distressed area.

4. For non-flood hazards, describe the actions you have or will require beyond an established minimum standard to improve resilience. Within your response, if you are proposing a building code change, describe the current version of the model building codes you have adopted and enforced in the project area and provide a summary of or links to any relevant exceptions, un-adopted portions of the model, or adopted code supplements specific to non-flood hazard reduction.

d. Resilience actions related to plan updates or alignment. Communities have many tools to use to speed disaster recovery and to improve resilience. Ensuring that important plans align is a measure recommended by researchers and experienced funders. For example, according to the Georgetown Climate Center's April 2014 Summary Report – Workshop on Disaster Relief, FEMA's required hazard mitigation plans often do not relate to local land use plans and regulations, which may result in missed

funding opportunities during post-disaster redevelopment. Other plans that may be considered for alignment include, for example:

- Transportation (for example, SIPs, TIPs, long range transportation plans)
- Disaster Recovery and Hazard Mitigation (FEMA Hazard Mitigation Plans, prior CDBG-DR Action Plans)
- Housing (HUD's Consolidated Plan, Continuum of Care commitments, Analysis of Impediments to Fair Housing Choice or Regional Fair Housing and Equity Assessments)
- Economic Development (HUD's Consolidated Plan, EDA's CEDS plans, Promise Zones)
- Environment (Watershed management plans, Intended Use plans for Clean Water and/or Drinking Water, Coastal Zone Management Plans)
- Climate Action Plans (formulated at the county or state level)

1. How have you updated your land-use plans since the date of the Qualified Disaster to reflect the best evidence-based risk information? How have you provided for swift or automatic updates to land-use plans post-disaster and how have you explicitly linked your hazard mitigation plan and land-use requirements to recognize post-disaster issues that may constrain your community's access to FEMA funding in the event of a disaster? Describe the linkages between your hazard mitigation plan and local land use requirements and how the linkage will make your community resilient. Identify separately the changes that affect the most impacted and distressed target area and those that affect the region or state as a whole.

2. Do you or will you (or if you are a local government, your state) have an "Enhanced" Multi-Hazard Mitigation Plan incorporating consideration of long-term threats imposed by climate change? Describe the plan and how it will be implemented in your most impacted and distressed target area and in your region or state.

3. Are you participating in the Federal Highway Administration's climate change vulnerability assessment program and identifying critical vulnerabilities to your transportation system? If yes, describe your participation and any permanent changes you have made since publication of the NOFA or plan to make in the next year as a result, and describe how these changes will affect resilience in your most impacted and distressed target area and in your region or state.

4. If you have aligned plans and planning processes other than those in 1 and 2 above since the date of the Qualified Disaster, identify the affected plans and describe the changes and their expected resilience effects in your most impacted and distressed area, region, or state.

e. Resilience actions related to financing and economic issues. In the leverage factor, HUD is awarding points for the amounts of funding committed to leverage and support your proposal. In this factor, HUD is looking at the duration and dedication of potential funding for improving resilience in your most impacted and distressed target area and in your region or state. Do or will you have a financing source or mechanism that is dedicated to addressing an identified risk or vulnerability? Describe the source or mechanism (including its expected start and end (if any) dates, and annualized funding expected after the date of this NOFA) and the financing's primary and co-benefits in your most impacted and distressed area and in your region or state. For example,

Charlotte and Mecklenburg County, North Carolina, use storm-water fees to run a floodplain buyouts program that purchases properties to reduce future flood damage risks, improve the function of the floodplain, and increase property values.

1. Landlords that own and rent relatively small numbers of housing units to low- and moderate-income renters usually have difficulty securing sufficient credit for repairs after major disasters, leaving or exacerbating shortages in available affordable rental housing units post-disaster. Do you or will you have a financing source or mechanism available to improve the resilience of your stock of at-risk rental units in your most impacted distressed area, region, or state before, during, and after an extreme event? Describe the source or mechanism (including its expected start and end (if any) dates, and annualized

funding expected after the date of the original NDRC NOFA) and the financing's primary and co-benefits in your most impacted and distressed area and in your region or state.

2. Low- and moderate-income persons are extremely vulnerable to income disruption following a disaster. Employers of low- and moderate-income persons, such as Section 3 employers, may have difficulties securing credit following a disaster, may not qualify for SBA assistance, and may be less likely to return to business at all. Do you have a financing source or mechanism available to improve the resilience of employers of low- and moderate-income persons (such as Section 3 residents) in your most impacted distressed area, region, or state? Describe the source or mechanism (including its expected start and end (if any) dates, and annualized funding expected after the date of the original NDRC NOFA) and the financing's primary and co-benefits in your most impacted and distressed area and in your region or state.

3. What actions will or have you take(n) to increase the percentage of appropriately and fully-insured private and public buildings, homes, and businesses in your most impacted and distressed area, region, or state? Describe these actions, expected outcomes and benefits, how vulnerable populations and the businesses serving them will be included, and how efforts to improve insurance coverage will necessarily continue over extended durations.

A.2. NOFA Priorities.

A.3. Bonus Points

This Program chooses not to award bonus points.

B. Reviews and Selection Process.

HUD's selection process is designed to ensure that grants are awarded to eligible applicants that submit the most meritorious applications. HUD will consider the information you submit by the application deadline date. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide. HUD may verify information provided in your application as needed by sending a written request for clarification. Responses to such inquiries will be required within 2 business days.

1. Application Screening

a. HUD will screen each application to determine if:

- (1) The key eligibility criteria in section III.A are met;
- (2) It is deficient, i.e., contains any Technical Deficiencies; and
- (3) It meets the threshold criteria expressly incorporated into this NOFA from section III.C.2. of the General Section (see section on Additional Overview Information for a list of incorporated General Section requirements).

b. Corrections to Deficient Applications – Cure Period. The subsection entitled, “Corrections to Deficient Applications,” in section V.C.2 of the General Section applies to this NOFA (see section on Additional Overview Information for a list of incorporated General Section requirements). Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, the Key Eligibility Data Form is not filled out completely, failure to submit the standard forms, and failure to submit a signature and/or date of signature on a certification. Failure to submit a narrative exhibit or an attachment is not a technical deficiency that can be corrected. As detailed in the General Section, all

technical deficiency cure items must be submitted by facsimile using the Facsimile transmittal form HUD-96011 and inserting in the box for name of the document, Technical Deficiency or TC, plus the name of the document being faxed. HUD will match the item to the electronic application so HUD's official records are complete including all cure items.

c. Applications that will not be rated or ranked. HUD will not rate or rank applications that are deficient at the end of the cure period stated in V. C.2 of the General Section, or do not meet the thresholds described in section III.C.2 of the General Section that are expressly incorporated into this NOFA.

2. Preliminary Rating and Ranking.

a. Rating.

(1) Reviewers will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in V.A of this NOFA.

(2) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.

b. Ranking. After preliminary review, applications will be ranked in score order.

3. Final Panel Review.

a. A Final Review Panel will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified;

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application and rank them in score order; and

(3) Recommend for selection the most highly rated applications, subject to the amount of available funding, and with consideration of the \$181 million set aside for applications from New York City, and the States of New Jersey and New York.

(4) Selection Considerations.

(a) **Geographic diversity.** HUD reserves the right to fund applications out of rank order to ensure geographic diversity of funding.

(b) **Minimum scoring.** See the Scoring Table. Any applicant that does not reach all applicable minimum scores in the Factor rating summary table will not be awarded a Grant.

4. **Tie Scores.** If two or more applications have the same score and there are insufficient funds to select all

of them, HUD will select for funding the application(s) with the highest score for the overall Need Rating Factors. If a tie remains, HUD will select for funding the application(s) with the highest score for the overall Capacity Rating Factors, then Soundness of Approach, Leverage, and Long-Term Commitment.

5. Remaining Funds. HUD reserves the right to reallocate remaining funds from this NOFA to other eligible entities under P.L. 113-2.

(a) If the total amount of funds requested by all applications found eligible for funding under this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded in rank order and those funds in excess of the total requested amount will be considered remaining funds.

(b) If the total amount of funds requested by all applications found eligible for funding under this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

6. Review and Selection Process References from the General Section.

The section on Additional Overview Information in this NOFA incorporates the relevant General Section requirements applicable to this NOFA, including the sub-sections of section V.C of the General Section that address the selection process.

C. Anticipated Announcement and Award Dates.

HUD anticipates announcing winners of Phase 2 under this NOFA approximately 4 months after the application due date.

VI. Award Administration Information.

A. Award Notices.

1. **Negotiation.** HUD will follow the instructions in the General Section regarding negotiation with selected applications to determine the specific terms of the funding agreement and budget (see section on Additional Overview Information in this NOFA, which incorporates the section of the General Section requirements).

2. **Adjustments to Funding.** HUD will follow the instructions in the General Section regarding Adjustments to funding (see section on Additional Overview Information in this NOFA, which incorporates section VI.A.2 of the General Section requirements). Note that in addition to the non-duplication provisions of the General Section, HUD will not award CDBG-NDR funds that would duplicate benefits as prohibited in Section 312 of the Stafford Act and Public Law 113-2. More guidance related to prevention of duplication of benefits is provided in a notice published in the Federal Register at 76 FR 71060 (November 16, 2011) and in Appendix A to this NOFA.

3. **Funding Errors.** The section on Additional Overview Information in this NOFA incorporates section VI.A.3 of the General Section regarding funding errors.

4. **Performance and Compliance Actions of Funding Recipients.** The section on Additional Overview Information in this NOFA incorporates section VI.A.4 of the General Section regarding performance and compliance of funding recipients.

5. **Debriefing.** HUD will provide an applicant a copy of the total score received by its application and the score received for each rating factor.

6. **Initial Announcement.** The HUD Reform Act prohibits HUD from notifying you as to whether or not

you have been selected to receive a grant until it has announced all grant recipients. If your application has been found to be ineligible or if it did not receive enough points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all applicants, whether or not they have been selected for funding.

7. Proficient Financial Controls. The Applicant will certify that it has and will maintain proficient financial controls. Before HUD issues a grant agreement, the awardee will satisfactorily complete a Financial Control Checklist as described in Appendix A.

8. Award Letter. The notice of award letter is signed by the Assistant Secretary for Community Planning and Development or the delegated program or field office official and will be delivered by email and the U.S. Postal Service.

9. Grant Agreement. When you are selected to receive a grant, HUD will send you a grant agreement, which constitutes the contract between you and HUD to carry out and fund Grant activities. It is effective on the date of HUD's signature, which is the second signature.

B. Administrative and National Policy Requirements.

Certain Administrative and National Policy Requirements apply to all HUD programs, including this NOFA. For a complete list of these requirements, see Section VI.B. of the General Section.

In addition to the list below, see III.C.3 of this NOFA for administrative and national policy requirements.

1. DRGR Requirements. The grantee must report on all activities and record all obligations and expenditures in the Disaster Recovery Grant Reporting (DRGR) system as described in Appendix A.

2. Closeout. HUD will close out CDBG-NDR grants in accordance with Appendix A and Notice CPD 2014-02, insofar as the Notice applies to CDBG-DR grants.

3. To the extent that Administrative requirements of Section VI.B. of the General Section relate to requirements already referenced in Appendix A, the requirements will be implemented for CDBG-NDR grants in accordance with Appendix A.

4. Sections VI.B.10 and 11 do not apply to State applicants under this NOFA. Such an applicant must follow the environmental review and administrative and cost principles requirements of Appendix A.

5. Note the technical amendment to the General Section, dated May 6, 2014, adding OMB published Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which would supersede the Circulars referenced in the General Section and Appendix A. HUD is implementing regulations in accordance with the guidance and expects the new regulations will become effective December 26, 2014. FY 2014

grantees will be required to comply with the HUD implementing regulations when they become effective, but shall not use them before the effective date. Electronic copies of the OMB circulars are located at www.whitehouse.gov/omb/circulars/default. Printed copies may also be obtained from the Executive Office of the President Publications, New Executive Office Building, Room 2200, Washington, DC 20503; telephone number (202) 395-3080 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number by dialing (800) 877-8339 (toll-free TTY Federal Relay Service).

C. Reporting.

Please refer to Section VI of the General Section for a description of the general reporting requirements applicable to this NOFA.

HUD shall require grantees under this NOFA to report the sources and uses of all amounts expended and other information for HUD's annual report to Congress or other purposes as determined by HUD.

1. Quarterly Report.

a. If you are selected for funding, you must submit a quarterly report to HUD using DRGR as described in

Appendix A.

- (1) HUD will provide training and technical assistance on the submitting of quarterly reports.
- (2) Completion of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframe will result in corrective actions up to and including suspension of grant funds until the report is submitted and approved by HUD.
- (3) Grantees will be held to the milestones in the program schedule, as approved by HUD. Adjustments to the schedule may be made by the grantee only with prior HUD approval. All obligations of funds by the Applicant or a partner must be recorded as obligations in DRGR on at least a quarterly basis.

2. Race and Ethnic Data Reporting. The race and ethnic data reporting requirements of VI.C.3 of the General Section are not applicable. The CDBG regulatory requirements regarding recordkeeping and reporting at 24 CFR 570.506 for UGLGs, and 570.490 for states are applicable. Grantees will maintain the required records and submit summary racial and ethnic data by activity into DRGR each quarter; as such information becomes available as projects progress.

VII. Agency Contact(s).

HUD staff will be available to provide clarification on the content of this NOFA. Please note that HUD staff cannot assist applicants in preparing their applications.

Questions regarding specific program requirements should be directed to the point of contact listed below.

Before the application deadline date, HUD staff will be available to provide you with general guidance and technical assistance. However, HUD staff are not permitted to assist in preparing your application. If you have a question or need a clarification, you may send an e-mail message to ResilientRecovery@hud.gov. Before the application deadline date, frequently asked questions (FAQs) on the NOFA will be posted to the National Resilient Disaster Competition webpage at <https://www.hudexchange.info/cdbg-dr/resilientrecovery>. You may obtain general information about HUD's CDBG-NDR program from HUD's website at <https://www.hudexchange.info/cdbg-dr/resilient-recovery>.

Questions concerning the General Section should be directed to the Office of Strategic Planning and Management, Grants Management and Oversight Division at 202-708-0667 (this is not a toll-free number).

Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

VIII. Other Information.

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for the original NOFA published in September 2014, in accordance with HUD regulations at 24 CFR Part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)), and remains in applicable to this revised NOFA. The FONSI is available for inspection at HUD's Funds Available web page at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail/nofa14/ndrc.

Paperwork Reduction Act Statement. The information collection requirements contained in this document were approved by the OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number [Paperwork Reduction Act Number 2506-0203]. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number. The public reporting burden for the collection of information is estimated to average 35.59 hours for Planning Grant applications per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application,

quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

Posting Application Information. After the Phase 2 selection process, HUD may post online certain summary and contact information from CDBG-NDR applications (e.g., the Executive Summary, Applicant contact information, etc.) to facilitate connections between eligible applicants (both those selected for grant funding and those who are not) and other entities (e.g., foundations, philanthropies, etc.) that might be interested in supporting the project proposed in the application.

Appendix.

Appendix A - Program and Post-Award Requirements (required)

Appendix B - List of Qualified Counties (informational)

Appendix C - Phase 1 and Phase 2 Partner Letter (sample)

Appendix D - Phase 2 Affiliate Agreement Terms (requirement)

Appendix E - Phase 2 Instructions for Requesting Waivers (requirement)

Appendix F - Phase 1 and Phase 2 Certifications (requirement)

Appendix G - Phase 1 and Phase 2 Most Impacted and Distressed and Unmet Recovery Needs Criteria and Instructions (requirement)

Appendix H - Phase 2 Benefit-Cost Analysis Guidance for Covered Projects (guidance)

Appendix I - Phase 1 and Phase 2 Consultation Summary (requirement)

Appendix J - Phase 1 and Phase 2 Crosswalk Checklist (Table of Contents) (required submission)

Exhibit F

National Disaster Resiliency Competition (NDRC)

HCD NDRC Application Certifications and Partnership Agreements Documentation

Sierra Nevada Conservancy

The undersigned, The Department of Housing and Community Development, as grantee, does hereby certify and agree to the following:

- a. The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the grantee certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).
- b. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- c. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- d. The grantee certifies that the Community Development Block Grant National Disaster Resilience application is authorized under State and local law (as applicable) and that the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-NDR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this NOFA.
- e. The grantee certifies that activities to be administered with funds under this NOFA are consistent with its Application.
- f. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this NOFA.
- g. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- h. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- i. Each State receiving a direct award under this Notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.

j. The grantee certifies that it is complying with each of the following criteria:

(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in the aftermath of an event occurring in 2011, 2012, or 2013, pursuant to the Stafford Act.

(2) With respect to activities expected to be assisted with CDBG–NDR funds, the

Application has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) The aggregate use of CDBG–NDR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons, unless waived by HUD based on a finding of compelling need.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG–NDR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

k. The grantee certifies that it (and any subrecipient or recipient)) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

l. The grantee certifies that it has adopted and is enforcing the following policies. In addition, a State receiving a direct award must certify that it will require any UGLG that receives grant funds to certify that it has adopted and is enforcing:

- (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- (2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- m. Each State or UGLG receiving a direct award under this Notice certifies that it (and any subrecipient or recipient) has the capacity to carry out the activities proposed in its Application in a timely manner; or the State or UGLG will develop a plan to increase capacity where such capacity is lacking.
- n. The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.
- o. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- p. The grantee certifies that it will comply with applicable laws.
- q. The grantee certifies that it has reviewed the requirements of this NOFA and requirements of Public Law 113-2 applicable to funds allocated by this Notice, and that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds.

Dated this 20th day of October 2015.

California Department of
Housing and Community Development

Signature: 

Printed: Laura Whittall-Scherfee
Title: Deputy Director
Division of Financial Assistance



AUBURN OFFICE
11521 Blocker Drive, Ste. 205
Auburn, CA 95603
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Appendix D
PARTNERHSIP AGREEMENT
BETWEEN the State of California AND Sierra Nevada Conservancy
FOR
Community Development Block Grant National Disaster Resilience Competition
(CDBG-NDR)

THIS AGREEMENT, entered this 22 day of October, 2015 by and between the State of California (herein called the "Applicant") and Sierra Nevada Conservancy (herein called the "Partner").

WHEREAS, the Applicant has applied for funds from the United States Department of Housing and Urban Development under the Disaster Relief Appropriations Act, 2013, Public Law 113-2, for the Community Development Block Grant National Disaster Resilience (CDBG-NDR) competition; and

WHEREAS, the Applicant wishes to engage the Partner to assist the Applicant in using such funds if awarded;

NOW, THEREFORE, it is agreed between the parties hereto, contingent upon the award of CDBG-NDR funds to the Applicant, that;

I. SUBRECIPIENT AGREEMENT/DEVELOPER AGREEMENT/CONTRACT

If the Applicant is awarded a CDBG-NDR grant from HUD, the Applicant/Grantee shall execute a written subrecipient agreement, developer agreement, contract, or other agreement, as applicable, with the Partner, for the use of the CDBG-NDR funds before disbursing any CDBG-NDR funds to the Partner. The written agreement must conform with all CDBG-NDR requirements and shall require the Partner to comply with all applicable CDBG-NDR requirements, including those found in Disaster Relief Appropriations Act, 2013 (Public Law 113-2), title I of the Housing and Community Development Act of 1974 (42 USC 5302 et seq.), the CDBG program regulations at 24 CFR part 570, the Notice of Funding Availability for HUD's National Community Development Block Grant Resilient Disaster Recovery Allocation

CDBG-NDR Partnership Agreement
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and any subsequent published amendments (the CDBG-NDR NOFA), and the Applicant's CDBG-NDR NOFA application.

II. SCOPE OF SERVICE

A. Activities

The Partner will be responsible for using CDBG-NDR funds to carry out activities in a manner satisfactory to the Applicant and consistent with any standards required as a condition of providing these funds. Such use will be in compliance with the CDBG-NDR NOFA, the Applicant/Grantee's application for CDBG-NDR assistance and the Applicant/Grantee's Grant Agreement for CDBG-NDR. Such use will include the following activities:

Program/Project Delivery

The Sierra Nevada Conservancy is well-positioned to administer, coordinate and manage the Forest and Watershed Health activities and Biomass Facility and Wood Products Campus planning and implementation activities awarded under this CDBG-NDR Phase II application. In addition to being experienced in managing complex projects with multiple funding sources and developing innovative green infrastructure projects, the SNC is the lead state agency responsible for implementing the Sierra Nevada Watershed Improvement Program - a coordinated, integrated, collaborative program to restore the health of California's primary watershed - and is an active partner in restoration and forest management projects throughout the Sierra Nevada Region.

The SNC has a long history of successfully developing, funding and managing forest and watershed health projects throughout the Sierra Nevada Region. The SNC has received and distributed over \$50 million in Proposition 84 grant funding and is currently working to distribute \$25 million in Proposition 1 funding in the Region.

Additionally, the SNC has worked with a broad range of community, agency and industry stakeholders to find economic uses for the excess biomass removed in forest restoration activities. Their involvement has included developing, awarding and managing biomass utilization planning and implementation grants including feasibility and engineering studies to establish biomass utilization facilities. Furthermore, the SNC is identified in the California 2012 Bioenergy Action Plan as the state agency responsible for pursuing funding for forest bioenergy research and implementation and assisting communities with the development of community scale projects.



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As a partner in the CDBG-NDR competition, the SNC will provide our Regional and programmatic implementation expertise as well as our technical and project management experience to successfully carry out the following activities should they be awarded through the CDGB-NDR application.

SNC will work with partners to complete CDBG-based green, public infrastructure work on forest and watershed lands; and develop sustainable, resilient energy and economic-development opportunities by way of planning and implementing a biomass facility and wood products campus in Tuolumne County.

Activity 1: The Sierra Nevada Conservancy (SNC) will administer and coordinate the Forest and Watershed Health activities identified under Phase II of the NDRC:

- Restoration and Reforestation
- Biomass Removal and Thinning
- Strategic Fuel Breaks
- Rangeland Improvements
- Noxious Weed Treatments

Activity 2: SNC will manage the Biomass and Wood Products Facility planning and implementation activities awarded under the NDRC in coordination with CalEPA and CalFIRE. SNC will establish interagency agreements with partners and contractors to develop a feasibility study and a state-level Bioenergy Working group to identify opportunities for replicating the process across the State of California.

- Biomass Facility and Wood Products Campus Planning Phase1 - Pre-development, Site Selection, Architectural Design & Engineering, Procurement, Permitting, Environmental Review
- Biomass Facility and Wood Products Campus Phase 2 – Build-out and Implementation

SNC agrees to implement contracts/agreements with USFS, CalFIRE, CalEPA, the CCC, and others, as needed, to carry out and complete the projects and programmatic/reporting requirements and obligations identified in Phase II of the NDRC.

B. Project Schedule

CDBG-NDR funding is subject to strict statutory deadlines for expenditure. In accordance with section 904(c) of title IX of the Disaster Relief Appropriations Act, 2013, a Grantee is required to expend all CDBG-NDR funds within two years of the date that HUD signs the grant agreement.

Consistent with this duty, the Partner is required to complete all CDBG-NDR assisted activities identified in section II.A above within 24 months.



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The Partner agrees to implement the following:

Assuming commencement of the project as soon as funds awarded

Forest and Watershed Health Program:

- Reforestation Site Prep and tree planting will occur when the ground and climate are suitable for activities after receipt of the funds (estimated March 2016 – September 2019)
- Fuel Breaks planning will start as soon as the funds are received. Implementation will begin after the fire season (estimated October 2016 – September 2019).
- Biomass Removal will commence as soon as the funds are received and the ground and climate allow.
- Rangeland Infrastructure will begin in May 2016, the beginning of field season.
- Noxious Weed Removal (estimated May 2016 – September 2019)

Biomass Facility and Wood Products Campus:

- Phase 1 – Pre-development, Site Selection, Architectural Design & Engineering, Procurement, Permitting, Environmental Review (estimated January 2016 – August 2017)
- Phase 2 – Build-out and Implementation (estimated August 2017 – September 2019)

C. Staffing

Any changes in the Key Personnel assigned or their general responsibilities under this project are subject to the prior approval of the Applicant/Grantee.

III. BUDGET

The Applicant/Grantee may require a more detailed budget breakdown than the one contained herein, and the Partner shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Applicant/Grantee. Any amendments to the budget must be approved in writing by both the Applicant/Grantee and the Partner.

In order to adequately manage the Forest and Watershed Health program and the planning and implementation activities associated with developing a Biomass and Wood Processing Campus, the Sierra Nevada Conservancy will need the following:



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Current projected budget for Forest and Watershed Health is \$40,000,000.
 Current projected budget for Biomass and Wood Processing facility is \$22,000,000.

Activity	Budget
Forest & Watershed Health	Sub-Total: \$40M
Biomass removal & thinning; green infrastructure restoration and reforestation; noxious weed removal; rangeland improvements; strategic fuel breaks	\$40,000,000
Biomass Facility and Wood Products Campus	Sub-Total: \$22M
Phase 1 - Pre-development, Site Selection, Architectural Design & Engineering, Procurement, Permitting, Environmental Review	\$6,000,000
Phase 2 - Implementation and Build-Out	\$16,000,000

IV. SPECIAL CONDITIONS

None

V. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

VI. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

VII. WAIVER

The Applicant's failure to act with respect to a breach by the Partner does not waive its right to act with respect to subsequent or similar breaches. The failure of the Applicant to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

VIII. ENTIRE AGREEMENT

This Agreement between the Partner and the Applicant for the use of CDBG-NDR funds, supersedes all prior or contemporaneous communications and proposals, whether electronic,



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oral, or written between the Partner and the Applicant/Grantee with respect to this Agreement. By way of signing this agreement, the Partner is bound to perform the agreements within this agreement or any HUD approved amendment thereof. Any amendment to this agreement must receive prior approval by HUD.

Date October 22, 2015

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

[Applicant]

[Partner]

By: [Signature]

Title: Deputy Director

By: [Signature]
JIM BRANHAM
Executive Officer

