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Purpose

This Policies and Procedures Manual for the Office of Disaster Recovery is provided to assist CDBG-DR program staff, subgrantees and subrecipients in implementing and managing disaster recovery grants. It provides guidance regarding the general requirements that apply to units of local government. It is the responsibility of the Department of Economic Opportunity’s disaster recovery staff to ensure that subgrantees comply with all provisions of this manual, state and federal rules and regulations, and the grant award agreement. Subgrantees and subrecipients must also carry out proper and efficient grant administrative practices. The Policies and Procedures Manual is intended to provide clear areas of responsibility to ensure consistent application of the procedures outlined in the manual. It is anticipated that circumstances will arise that will require deviations from the processes outlined in this manual. In those instances, the reason for the deviations need to be clearly documented and included in the subgrantees file. In some cases, these circumstances will require amending the Policies and Procedures Manual to include new or revised policies or procedures to accommodate these situations.

If there are any questions, subgrantees and subrecipients should contact the Florida Department of Economic Opportunity’s Office of Disaster Recovery at:

Florida Department of Economic Opportunity
Office of Disaster Recovery
107 East Madison Street
Caldwell Building, MSC 400
Tallahassee, FL 32399
(850)-717-8411
Introduction

The U.S. Department of Housing and Urban Development (HUD) provides supplemental Community Development Block Grant (CDBG-DR) funds appropriated by Congress to assist in the recovery of areas declared by the President of the United States as disaster areas. The public notice regarding supplemental appropriations is included in the Federal Register and specifies the disaster or the time period of the disaster declaration(s) for which funding is available, as well as any special provisions that will apply. Grant funds are generally based on unmet disaster recovery needs and made available to states and units of general local government, Indian tribes, and insular areas, unless otherwise specified in the supplemental appropriation legislation. HUD generally awards noncompetitive, nonrecurring disaster recovery grants by a formula that considers the amount of damage received by the area and the amount of unmet need that remains after considering other federal disaster assistance programs.

Grant recipients receiving funding directly from HUD, must prepare an Action Plan that outlines the overall plan for recovery, the proposed use of the funds, how the funds will be distributed, and how the grant will be administered.

Disaster Recovery grants often supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA) and the U.S. Army Corps of Engineers (Corps). In addition, Home Investment Partnership (HOME) funds can provide an important resource for providing affordable housing to disaster victims. The HOME program is administered by the Florida Housing Finance Corporation.

Eligible activities must meet at least one of three program national objectives: (1) benefit persons of low-to moderate-income, (2) aid in the prevention or elimination of slum or blight, or (3) meet other urgent community development needs because existing conditions pose a serious and immediate threat to the health and welfare of the community where other financial resources are not available. Unless otherwise restricted by statute or provided by waiver, the funds may be used for any activity eligible under Section 105(a) of the Housing and Community Development Act of 1974, as amended, that meets a national objective under Section 104(b) (3) of the Act, and the activities must be related to the covered disaster. Generally, at least 51 percent of the beneficiaries are to be persons of low- to moderate-income.

Typically, subgrantees and subrecipients may use CDBG-DR funds for recovery efforts involving housing, economic development, infrastructure repair, and prevention of further damage to affected areas. Eligible activities must be specified in a grant recipient’s Action Plan and funded activities cannot duplicate funding available from other sources such as FEMA, SBA, insurance, or any other sources of public or private funding that is available to undertake the same activity. Examples of eligible activities include:

1. Buying damaged properties in a flood plain and relocating residents to safer areas;
2. Relocation payments for people and businesses displaced by the disaster;
3. Debris removal not covered by FEMA;
4. Rehabilitation of homes and buildings damaged by the disaster;
5. Buying, constructing, or rehabilitating public facilities such as streets, neighborhood centers, and water, sewer, and drainage systems;
6. Homeownership activities such as down payment assistance, interest rate subsidies and loan guarantees for disaster victims;
7. Public services;
8. Helping businesses retain or create jobs in disaster impacted areas; and
9. Planning and administration costs.

Federal requirements state that the funds can be used only for disaster relief and long-term recovery in communities affected by the specified disaster(s) and directed to areas with the greatest unmet need. Funds cannot be used for a project or activity that was underway prior to the Presidential Disaster Declaration. All projects must be directly related to one or more of the disaster events defined in the Presidential Disaster Declaration. Activities that are reimbursable by the FEMA, the National Flood Insurance Program (NFIP), private insurance, private or public donations, dedicated tax revenues, or available through the SBA cannot be reimbursed with these funds.
# Version History

<table>
<thead>
<tr>
<th>Date</th>
<th>Changes</th>
</tr>
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<tbody>
<tr>
<td>05/03/2019</td>
<td>Draft Policies and Procedures Manual Published to website</td>
</tr>
<tr>
<td>07/25/2019</td>
<td>Applied clarifying language throughout document</td>
</tr>
<tr>
<td>09/9/2019</td>
<td>Added ODR’s QA/QC Procedures, Section 3 Plan, and Anti-Fraud, Waste and Abuse policies</td>
</tr>
<tr>
<td>10/24/2019</td>
<td>Added Duplication of Benefits Procedure Revisions for Subsidized Loans and Property Owners affected by Hermine or Matthew and Irma and Temporary Housing Assistance Benefit Policy</td>
</tr>
<tr>
<td>10/31/2019</td>
<td>Applied formatting edits throughout document</td>
</tr>
<tr>
<td>11/04/2019</td>
<td>Added clarifying language to Anti-Fraud, Waste and Abuse policy</td>
</tr>
<tr>
<td>11/19/2019</td>
<td>Applied formatting edits throughout document</td>
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<tr>
<td>01/02/2020</td>
<td>Administrative changes to the Policies and Procedures Manual and appendices. Clarifying language added throughout document</td>
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<tr>
<td>02/05/2020</td>
<td>Added more information to Temporary Housing Assistance Benefit (THAB) Policy and MHU Relocation Policy</td>
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<tr>
<td>02/14/2020</td>
<td>Added information for Reasonable Accommodation Requests, Mobile Home Unit Replacement with Lien, DOB Gap Funding deadline and Inactive Status/Due Diligence Process</td>
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<tr>
<td>02/26/2020</td>
<td>Clarified language for Fraud Related Training</td>
</tr>
<tr>
<td>02/27/2020</td>
<td>Added example grant calculation/DOB table and updated information for Pilot Methodology.</td>
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Version Policy

Version history is tracked in the table above, with notes regarding version changes. The dates of each publication are also tracked in this table.

This manual will be updated monthly to incorporate changes based on information obtained from attending CDBG-DR and program-related training workshops, seminars, webinars, and other resources, including changes in federal and state laws, rules, regulations and program policies and procedures. In addition, information obtained at the training sessions and an overview of the training sessions will be provided to all staff in the Office of Disaster Recovery that did not attend the training as part of a continuous education program. Updated guidelines specific to each program will also be posted on the Office of Disaster Recovery webpage. Information about DEO’s Office of Disaster Recovery can be found at: www.floridajobs.org/CDBG-DR.
 Definitions and Acronyms

**Activity/Project/Program** - The housing, infrastructure, economic development, or planning endeavor undertaken by the subgrantee.

**Acquisition** - The acquiring of real property, in whole or in part, by the recipient, or other public or private nonprofit entity through purchase, long-term lease, donation, or otherwise for any public purpose, subject to the limitation of 24 CFR 570.207. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein. (24CFR 570.201)

**Appraisal** - A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

**Bid** - An offer by a company, firm or individual to provide goods or services submitted in response to solicitation for those goods or services.

**Business concern** – a business entity formed in accordance with state law, and which is licensed under state, county or municipal law engaging in the type of business activity for which it was formed. A business concern that provides economic opportunities for low-and very low-income persons.

**Cancelled Loans** - The borrower has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement.

**CDBG-DR** - The Community Development Block Grant-Disaster Recovery (CDBG-DR) program.

**CDBG-MIT** – The Community Development Block Grant-Mitigation (CDBG-MIT) program.


**Change Order** – Work that is added or deleted from the original contract activities to be performed and changes the original contract amount and/or the completion due date. The change order must be approved by the Department of Economic Opportunity Disaster Recovery Unit, homeowner, subgrantee, contractor, subcontractor, and project architect and/or engineer, as appropriate, prior to being implemented.

**Concern** - An issue identified in the Department of Economic Opportunity’s monitoring report sent to the subgrantee and/or subrecipient that, if not addressed or corrected, may result in a finding in a future monitoring report.

**Corrective Action** - Required steps to be taken to resolve findings and/or concerns identified in the DEO’s Office of Disaster Recovery.

**Cost Reimbursement** - Payment made to the subgrantee and/or subrecipient after a request for funds has been submitted and approved by the State of Florida. In CDBG agreements with subgrantees,
subgrantees initially pay invoices for work completed under a CDBG sub agreement. The subgrantee and/or subrecipient is reimbursed for the payment made for work performed.

Declined Loans - Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds.

Deficiency - An inadequacy based on a federal or state statutory, regulatory or program requirement.

DEO - Florida Department of Economic Opportunity.

Direct Cost – Any project cost or project delivery cost that is identified specifically with completing an activity or product such as materials and labor. Costs identified specifically with a contract are direct costs of that contract. Administrative expenses are not generally considered direct costs.

DR – Disaster Recovery

DRGR – Disaster Recovery Grant Reporting System, HUD’s web-based reporting and grants management system.

ERR – Environmental Review Record – The environmental file and documents associated with the activities to be undertaken with CDBG funds.

Federal Register – The official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices issued by federal administrative agencies.


Finding(s) – A specific issue of noncompliance with federal or state regulatory requirements, including the CDBG subgrant agreement provisions, that is identified in a monitoring report produced by the Department of Economic Opportunity sent to the subgrantee.

Grantee – As used in this manual, the State of Florida, DEO’s Office of Disaster Recovery as recipient of disaster recovery CDBG funds from the U.S. Department of Housing and Urban Development.

HUD – U.S. Department of Housing and Urban Development

Indirect Cost – Any cost not directly identified with a cost objective, such as a specific project, facility, or function. Indirect costs include administration, personnel, and security costs.

Low- to Moderate-Income (LMI) Household – Means a household whose annual income does not exceed 80 percent of the median income for the area as most recently determined by HUD.

Low- to Moderate-Income Resident/Person/Individual – Means a person whose annual income does not exceed 80 percent of the median income for the area as most recently determined by HUD.

New Hires – Full-time employees for permanent, temporary or seasonal employment opportunities.
**Offer** – A response to a solicitation that, if accepted, would bind the offer. Responses to an Invitation to Bid (ITB) are offers called “bids” or “sealed bids”.

**Office of Disaster Recovery** – The Florida Department of Economic Opportunity’s long-term disaster recovery office.

**Private Loans** – A loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG–DR applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, e.g., the loan is not forgivable.

**Program Income** – Gross income received by the subgrantee and/or subrecipient and/or subrecipient directly generated from the use of Disaster Recovery CDBG funds. [Revenue that is received by a state, unit of general local government or subrecipient as defined at 24 CFR 570.500.]

**Project Cost** – Total of Disaster Recovery CDBG funds, local and other matching funds, and total business investment in the project.

**Project Delivery Cost** – Costs used specifically to meet the requirements to complete a particular project, especially as it applies to meeting CDBG requirements.

**Project/Program/Activity** – The housing, infrastructure, economic development, or planning endeavor undertaken by the subgrantee and/or subrecipient and/or subrecipient using CDBG funds.

**Real Property** – Land, including all the natural resources and permanent buildings on it. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein. (24CFR 570.201)

**Request for Proposals (RFPs)** – A solicitation, often made through a bidding process, by an agency to communicate an entity’s requirements for goods or services to prospective contractors.

**Request for Qualifications (RFQs)** – A bidding solicitation where an entity asks vendors to provide a cost quote to provide goods or services. RFQs are often used to procure the services of an engineering or architectural firm.

**RFF** – Request for Funds – Subgrantee request for funds from DEO.

**ROF** – Release of Funds – HUD’s or DEO’s granting approval to use CDBG funding. This approval, or authority to use grant funds, is executed through HUD form 7015.16. The authority to use CDBG funds usually occurs after the project environmental review is completed and approved by DEO.

**RROF** – Request for Release of Funds - A subgrantee request for a release of funds. This request is executed through HUD form 7015.15.

**SBA** – Small Business Administration, a federal agency.

**Subsidized Loans** - Subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery.

**Sealed bid** – A method of contracting that employs competitive bids, public opening of bids, and awarding the bid.

Section 3 Resident – A public housing resident or an individual residing in a metropolitan area or a non-metropolitan county who meets the definition of a low-income or very low-income person.

Section 3 Business or Business Concern – As related to Section 3 of the of the HUD Act of 1968, as amended:

- A business that is 51 percent or more owned by Section 3 residents; or
- Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years if the date of first employment with the business concern were Section 3 residents, or
- 25 percent of subcontracts committed to Section 3 businesses.

Section 3 Covered Contracts – A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 Covered Non-Construction Project – A project associated with the Section 3 Covered Project such as maintenance contracts, re-painting, routine maintenance, HVAC servicing, and professional services (architectural, engineering, legal services, accounting, marketing, etc.)

Section 3 Covered Project – The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction such as roads, sewers and community centers, and buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

SERA – DEO’s web-based reporting and grants management system.

Service Area – Means the total geographic area to be directly or indirectly served by a subgrant project that addresses the Low- and Moderate-Income National Objective, where at least 51 percent of the residents are low- and moderate-income persons. A service area must include all, and only those, beneficiaries who are reasonably served or would be reasonably served by the activity.

Solicitation – Any request to submit offers or quotations to the local government. Solicitations under sealed bid procedures are called “invitations for bids”. Solicitations under negotiated procedures are called “requests for proposals.” Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.

Subcontract – As used in this manual, any contract as defined above as a “Contract” entered into by a subcontractor to furnish supplies or services for performance of a prime contract, or another subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

Subcontractor – As used in this manual, any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a subrecipient. As related to Section 3 of the of the HUD Act of 1968, as amended, any entity (other than a person who is an employee of the contractor) which has a contract with a
contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

**Subgrantee** – As used in this manual, a recipient that demonstrated its abilities to carry out competitive applications due to their expertise related to goals of the program. For example, Florida Housing Finance Corporation.

**Subrecipient** – A competitively-selected recipient, usually local government, that is provided CDBG funds from a subgrantee, to for carrying out agreed upon eligible activities documented in a Subrecipient Agreement.

**Subgrantee Agreement** – An agreement between DEO and the subgrantee to undertake the activities the subgrantee will undertake using CDBG funds.

**Subrecipient Agreement** – An agreement between DEO and the subrecipient to undertake the activities the subrecipient agreement will undertake using CDBG funds.

**URA** – Uniform Relocation Assistance and Real Property Acquisition Policies Act.

**Vendor** - An entity competitively selected to provide clearly-specified goods or services meeting the procurement requirements at 24 CFR 85.36, 2 CFR 200, Section 287.055, Florida Statutes, and Rule 73-23.0051(3), Florida Administrative Code. In accordance with 24 CFR 85.36(c), such procurement actions must be conducted in a manner that provides for free and open competition.

**Waiver** – A revision to the standard CDBG regulations, requirements, and activities, granted by HUD.
Executive Summary

On September 10, 2017, the state of Florida was subjected to the powerful destructive force of Hurricane Irma (DR-4337). In the wake of this natural disaster, Florida came together to recover and rebuild, but significant unmet needs still remain. Recognizing this, Congress appropriated and the U.S. Department of Housing and Urban Development (HUD) allocated a total of $616 million in funding to support long-term recovery efforts following Hurricane Irma through the Florida Department of Economic Opportunity’s (DEO) Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. This funding is designed to address needs that remain after other assistance has been exhausted, including federal assistance as well as private insurance. The Florida Department of Economic Opportunity (DEO) is the responsible entity for administering the CDBG-DR funds allocated to the state. DEO has competitively procured IEM to assist with program and contract administration services for disaster recovery programs associated with Hurricane Irma.

DEO recognizes its fiscal and regulatory responsibility to administer these funds consistent with all federal and state requirements. DEO’s initial step toward securing this funding on behalf of the state of Florida was the successful creation and submission of the State of Florida CDBG-DR Action Plan (Action Plan), which HUD approved on June 28, 2018. With the subsequent HUD allocation of $157 million in August 2018, DEO developed and submitted Action Plan Substantial Amendment 1, and one non-substantial amendment approved by HUD on March 1, 2019. This will result in the obligation of the full $774 million for the benefit of Floridians. The Action Plan is the guiding framework for how DEO will administer the funds to implement programs for disaster recovery.

In order to ensure that the funds assist the most impacted areas, 80 percent must be expended on disaster recovery in HUD-identified “most impacted and distressed” areas for eligible disaster-related activities. The unmet needs assessment evaluates three core aspects of recovery – housing, infrastructure and economic development – as the basis for the Rebuild Florida Program framework.

This Office of Disaster Recovery Policy Manual is intended to identify applicable federal regulations that govern CDBG-DR funds, provide individual program summaries with program-specific policy and procedures referenced in appendices, and delineate state-level responsibilities for DEO Office of Disaster Recovery staff members from subrecipients. DEO will provide technical assistance for each subrecipient applying for disaster recovery assistance funding and will monitor those subrecipients who are successful in obtaining funding.

This manual supports DEO’s ability to help homeowners, owners of rental housing, and communities achieve long-term recovery goals by providing compliance requirements that will keep Florida in good standing with HUD while delivering services to Floridians. It is intended to provide for consistent and efficient application of procedures across all disaster recovery activities for Irma, regardless of where and by whom these activities are conducted.

DEO anticipates that circumstances will arise where the application of the policies and procedures outlined in this manual may lead to an unintended consequence and that some circumstances may not fit within the policy and procedure framework. In these cases, deviations may be justified and necessary. Any deviation from policies and procedures must be clearly documented and included in the specific file for the project requiring such deviation.
Part 1 Regulatory and CDBG-DR specific Processes

Overview

CDBG-DR ultimately falls under the regulatory umbrella of the Community Development Block Grant (CDBG). The federal government uses CDBG as a tool to provide aid in the wake of a disaster because it is a proven method of assisting communities that can be adapted to disaster recovery with relative ease. Unless there are specific waivers granted, it is safe to assume all the same rules apply to the Rebuild Florida programs.

The CDBG program has layers of regulations that have an impact on CDBG-DR program processes and activities. These regulations exist alongside administrative and programmatic requirements and have serious implications for activities undertaken through CDBG-DR. State staff charged with oversight of CDBG-DR directly implement these processes and provide guidance to subrecipients to ensure a basic knowledge of CDBG-DR regulations and processes.

1.1 Acceptance of HUD’s Funding Allocation

1. HUD notifies the Governor’s office of the funding allocation.
2. The Governor’s office notifies DEO’s Office of Disaster Recovery director and policy unit.
3. Upon receiving the notification of HUD funding, the policy unit reviews the letter and the HUD grant agreement form (HUD Form 7082).
4. The policy unit completes HUD Form 7082 and a transmittal letter to HUD for the DEO executive director to sign. HUD Form 7082 is routed through the policy director to the division director, and then to the executive director.
5. The executive director reviews and signs the grant agreement form and transmittal letter, and returns the signed grant agreement and letter to the policy unit. The policy unit then mails and emails to the appropriate HUD office.
6. The policy unit forwards copies of the signed grant agreement form and letter to DEO’s Finance and Accounting Office, the Office of General Counsel, Office of Disaster Recovery director, bureau chiefs, and other essential personnel. A copy is placed in the files maintained by the policy unit.
7. Policy unit will request the grant number and expansion option (EO) from the Finance and Accounting Office.
8. The Finance and Accounting Office enters the grant number and EO into SERA reporting system.
9. The HUD funding allocation processing procedure is complete.

1.2 Action Plan Development

Action Plan Substantial Amendment

1. The AP Substantial Amendment is prepared by the Policy Unit.
2. The draft AP Substantial Amendment is routed to the Office of Disaster Recovery director, General Counsel’s office, communications office, Finance and Accounting Office, and the executive director.

3. The executive director approves the draft substantial amendment and the draft substantial amendment is submitted to translation services to then be posted on the DEO website for public comment, following HUD’s requirements.

4. After the public comment period ends, a final version of the substantial amendment is prepared and routed to the Office of Disaster Recovery director, general counsel’s office, and to the office of the executive director.

5. The approved final version of the substantial amendment is transmitted to the appropriate HUD office for review and approval. After the substantial amendment is approved by HUD, it becomes effective.

6. The substantial amendment is published on the website for the public to view

**Action Plan Non-Substantial Amendment**

1. The AP Non-Substantial Amendment is prepared by the policy unit.

2. The draft AP Non-Substantial Amendment is routed to the Office of Disaster Recovery director and other offices if needed, depending on the content.

3. The division director or executive director, whichever is applicable based on the content, approves the draft non-substantial amendment.

4. HUD is notified of the non-substantial amendment.

5. The amendment is effective, translated and is published on the website for the public to view.

**1.3 Procurement Methods and Contractual Requirements**

**Overview**

The standards and guidelines for procurement of supplies, equipment, construction, engineering, architectural, consulting and other professional services have been established in the DEO Purchasing and Contracting Guidelines that have been developed in compliance with federal and state requirements.

The following regulations should be reviewed for more detailed information:

- 2 CFR 200, Subpart D (federal procurement regulations)
- 24 CFR 135 (Section 3 of the Housing and Urban Development Act to guide economic development to low- and very-low income local residents and the businesses that hire them)
- Compliance with Minority and Woman-Owned Business Enterprises reporting requirements
- Section 255.0525, Florida Statutes (advertising for competitive bids or proposals)
- Section 287.055, Florida Statutes (Consultants Competitive Negotiations Act)
- Section 287.133, Florida Statutes (public entity crimes)
- The following checklists that address procurement, Section 3, and minority and woman-owned business requirements:
  - Procurement Desk Monitoring Checklist (DR-15)
  - Planning and Design Specifications Desk Monitoring Checklist (DR-28)
• Property Acquisition Monitoring Checklist (DR-18)
• Housing Rehabilitation Monitoring Checklist (DR-25)

DEO grant managers are responsible for monitoring of subrecipients to ensure the procurement methods and contractual requirements and other reporting requirements are met. Plans and specifications, procurement for professional services and construction procurement will be monitored by the disaster recovery grant manager.

Procurement Management Procedure

Procedures for Competitive Solicitations

1. Purchasing Office will hold a Preliminary Meeting with Contract Manager/Requestor to review the procurement checklist and ensure an understanding of the solicitation methods, requirements, and identification of spending authority. Note: Remind Program Area Contract Manager to refer any inquiries/questions regarding the solicitation to the Purchasing Office.

2. Both Purchasing Office and the Program Area Contract Manager will sign the Procurement Checklist, and a copy of the signed checklist will be provided to the Program Area Contract Manager.

3. Both Purchasing Office and the Program Area will determine if the services to be provided meet the statutory definition of an “outsource” activity. The Program Area shall complete a business case for any outsourcing project that has an expected cost in excess of $10 million within a single fiscal year. The business case shall be submitted pursuant to s. 216.023, F.S. Please contact the Budget Office for further instructions. The business case shall be available as part of the solicitation but is not subject to challenge.

4. When implementing information technology (IT) projects, Program Area is required to engage the Division of Information Technology and will use the Florida Information Technology Project Management and Oversight Standards set forth in Section 282.0051(3), F.S., and Chapter 74-1, F.A.C.

5. If applicable, Purchasing Office will review PRIDE and RESPECT purchasing requirements and provide a product and service list from both PRIDE and RESPECT to the Program Area prior to deciding on another procurement method. If not utilizing PRIDE and/or RESPECT product or service, the Purchasing Office will need to obtain justification from the Program Area.

6. Program Area will need to complete and provide a copy of Conflict of Interest Certification to the Purchasing Office.

7. The Procurement Office will setup a physical folder for the solicitation and create a solicitation folder in SharePoint for all documentation related to the procurement. Program Area is required to complete the solicitation template, SOW and all other referenced documents as applicable.

8. If contractual services/items are mission critical to the Agency’s maintenance of effort, the solicitation document shall include the emergency preparedness plan language.
9.Procurement Office will ensure all IT project related procurements address the standards set forth in Section 282.0051(3), F.S., and Chapter 74-1, F.A.C., and include any Performance Bond Language in the SOW.

10. If a Construction related procurement equal to or greater than $100,000, then the solicitation includes a bid bond requirement and a requirement for the respondent to provide a letter of intent to provide a performance bond. Also, include the following statement: “Within five (5) days after notification of selection, Contractor shall be required to submit and maintain in effect throughout the life of the contract a performance bond in the amount of 100 percent (100%) of the contract price. The bond must be issued by a surety company licensed to do business in the State of Florida and must be payable to the Agency.”

11. When the Program Area has completed the solicitation documents, the documents will go through Purchasing Office, Contracts and Grants Administration (CGA), and Office of General Counsel (OGC) as applicable for preliminary review in SharePoint. The Program Area will be notified by email when the documents are ready for review. This process will continue until a final solicitation document is approved.

12. When the final documents are approved, the Program Area Contract Manager will hard copy route the solicitation document through the procurement routing review process.

13. Program Area will need to identify the statutory authority on the procurement routing review form.

14. **If the solicitation is not an ITB**, specify the type of procurement that will provide the best value to the State. Program Area must provide justification on the Procurement Routing Review Form.

15. **If RFP or ITN**, the Program Area Contract Manager will provide a list of recommended Evaluation/Negotiation Team Members on the routing review form.

16. The Procurement Routing Review Form must follow the Delegation of Authority; once final approval is obtained, the solicitation will be released and posted by the Procurement Office to the Vendor Bid System (VBS).

17. Procurement Officer will print and file the final solicitation documents in the procurement folder.

18. Procurement Officer will print the VBS posting, post to bulletin board, and file one copy in the procurement folder.

19. Procurement Officer will need to send an e-mail to OSD advising them of the solicitation and file a copy of the e-mail in the procurement file.

20. Procurement Officer will notify the Program Area by email that the solicitation has been posted to VBS.

21. Procurement Officer will set-up the solicitation “Calendar of Events” in Outlook.

22. Purchasing Office will facilitate the pre-response conference or site visit, if applicable.
23. Once the Technical Questions are received from prospective Respondents, the Purchasing Office will upload the Technical Questions to SharePoint for the Program Area Contract Manager to respond.

24. Technical Answers will be uploaded to SharePoint by the Program Area Contract Manager for Purchasing and OGC review if applicable.

25. Procurement Office will post Technical Questions and Answers posted on the Vendor Bid System.

26. Procurement Office will notify the Program Area by email that the Technical Questions and Answers have been posted to VBS.

27. Procurement Office will assist Program area with any Addenda if needed and post any addenda on the Vendor Bid System as well as the bulletin board.

28. **(RFP/ITN only)** Procurement Office will prepare the Evaluator Training PowerPoint presentation, as well as assist the program area in the development of the individual evaluator workbooks.

RFP/ITN Only

1. The Procurement Officer will print copies of the solicitation receiving form and put them in the copy room to be used as responses come in.

2. The Public Response Opening will be held by Purchasing (sign-in sheet, evaluation summary sheet will be needed). Purchasing will only announce the names of the vendors at this time.

3. Procurement Office will perform the Responsiveness and Responsibility Determination.

4. Procurement Office will verify the vendor’s eligibility status on the Federal Debarment Excluded Parties List and print and place the results in procurement file.

5. For goods or services of $1 million or more, Procurement Officer will verify the Scrutinized Companies List, and print and place the results in procurement file.

6. If less than two responsive responses received, DEO may determine to negotiate on the best terms and conditions and Program Area Contract Manager must provide justification as to why re-soliciting would not be in the best interest of DEO.

RFP/ITN Process for Evaluations, Demonstrations and Negotiations

1. Procurement Office will facilitate the Evaluation/Negotiation Training for all evaluators and negotiators.

2. Procurement Office will obtain the Conflict of Interest Questionnaires and Conflict of Interest Certifications from each Evaluation/Negotiation Team Member.

3. **(ITN only)** Purchasing Office will obtain the Confidentiality and Non-Disclosure Agreement from each Negotiation Team Member and SME, if applicable.
4. Evaluations completed by Evaluation Team and all Evaluation Material will be returned to the Purchasing Office for the procurement file.

5. Procurement Office will complete the Evaluation Summary Score Sheet, verify, and file in the procurement file.

6. Procurement Office will post the Vendor Shortlist to Vendor Bid System, if applicable.

7. Procurement Office will facilitate the Negotiation meetings as applicable.

8. Procurement Office will facilitate the Public Meeting for the Intent to Award with the Negotiation Team to determine ‘Best Value’ and Award Recommendation.

9. Once the Lead Negotiator has drafted the Recommendation of Award (RFP/ITN), the Procurement Office will route for approval by Agency Head or delegation of authority.

10. Procurement Office will post the agency decision on the Vendor Bid System.

11. Once the Agency decision has posted, it will start the 72–hour Protest Period. If a Notice of Intent to Protest is received, the Procurement Officer will forward to Legal and place copy in the procurement file.

12. Procurement Officer will prepare bid protest bond letter, have legal review and then send to Respondent, if applicable. Formal Protest and Bid Bond must be received within 10 days of receipt of Notice of Intent to Protest.

13. The Protest will either get resolved by DEO Legal, or it will go to DOAH. If resolved with DEO Legal, the Procurement Officer will place Legal approval in procurement file and the completed procurement can proceed with contract development.

14. Procurement Office will ensure all documentation relating to the procurement is filed in the procurement file.

1.3 Duplication of Benefits (DOB)

Many federal and state agencies are involved in responding to presidentially declared major disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”). Under Stafford Act requirements, Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. Accordingly, Stafford Act duplication of benefits (DOB) requirements apply to all federal agencies, including HUD, administering a disaster recovery program providing financial assistance for emergency response and long-term recovery. The CDBG-DR grants are subject to these requirements.

Section 312(a) of the Stafford Act requires the Federal Government to assure that no person receiving Federal financial assistance receives funds for any part of a loss already paid by insurance or any other source. Section 312(c) makes any person receiving duplicative assistance liable to the Federal Government for the duplicative amount and states that “the agency which provided the duplicative assistance shall collect [it] from the recipient when the head of such agency considers it to be in the best interest of the...
Federal Government” (42 USC 5155(c)). Additionally, Section 312(b) of the Act permits the payment of assistance to someone who is or may be entitled to future payments from insurance or another source “if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance” (42 USC 5155(b)).

The Stafford Act requirements are reinforced by other requirements on the use of CDBG-DR funds. Public Laws governing each of the allocations require the HUD Secretary to certify in advance of making grant awards that grantees have adequate procedures to prevent any duplication of benefits. To support the Secretary’s certification, grantees must certify that they have “established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act.”

Additionally, the Appropriations Act, regulations, and cost principles within uniform administrative requirements applicable to all CDBG-DR grantees require that costs are necessary and reasonable (24 CFR part 570 and Uniform Requirements at 2 CFR part 200). “A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost” (2 CFR 200.404).

DOB verification is most often a complex compliance requirement for housing activities, but it also applies to public facilities and businesses, depending on the activity. Fundamentally, the state and subrecipients must prove that they have accounted for private insurance, SBA, NFIP, FEMA and/or any other funding an applicant has received for the same purpose as the CDBG-DR grant, prior to expenditure of CDBG-DR funds.

DEO staff will coordinate with FEMA, NFIP and SBA to establish a process whereby information can be obtained to determine if applicants, especially housing rehabilitation applicants seeking disaster recovery funding assistance, have applied for or received funding from either of these two agencies. Subrecipients will be responsible for obtaining documentation from applicants to determine if they received insurance benefits or other resources and how those funds were used to ensure there are no duplication of benefits issues. Best practice related to DOB analysis is for grantees or subrecipients to coordinate with FEMA, NFIP, and SBA via a Memorandum of Understanding to establish a process to obtain data related to the assistance these agencies have provided.

The Stafford Act directs administrators of Federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The amount of the duplication is the amount of assistance provided in excess of need. The Stafford Act requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. A Duplication of Benefits (DOB) occurs when:

- A beneficiary receives assistance, and
- The assistance comes from multiple sources (e.g., private insurance, FEMA, NFIP, non-profits, etc.), and
- The total assistance amount exceeds the need for a particular recovery purpose.

Eligible applicants may have previously received assistance from other sources. Under the requirements of Stafford Act (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, the Program must take into account certain aid received by applicants in determining the amount of assistance which can be granted.
In accordance with the Stafford Act, all projects, both directly and subrecipient administered, must perform due diligence to identify potentially duplicative sources of funding, analyze whether the source is duplicative, and include duplicative sources in an assessment that is deducted from the project’s need based award determination.

The following are sources of funding assistance provided for structural damage and loss that may be considered a DOB and under federal law must be deducted from the assistance provided:

- FEMA Individual Assistance for Structure (IA),
- FEMA National Flood Insurance Program (NFIP) and/or Increased Cost of Compliance (ICC),
- Private Insurance,
- Small Business Administration (SBA),
- Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may duplicate assistance (i.e., charities/non-profits).

Funds received from any source, including flood insurance, FEMA, and hazard insurance that were used to cover repair to the homeowner’s home will reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance provided from the source(s). Documentation must be provided demonstrating the cost and type of repair conducted.

Any additional funds paid to homeowner awardees for the same purpose as the Rebuild Florida Program housing assistance award after the State has completed the repair, rehabilitation, or replacement of the homeowner’s housing units must be returned to DEO as detailed in the subrogation agreement.

For additional information on duplication of benefits see the following Federal Register Notices 76 FR 71060, 84 FR 28836, and 84 FR 28848 available on the HUD Exchange website.

**HUD’s Duplication of Benefits Guidance**

<table>
<thead>
<tr>
<th>Federal Register Notice</th>
<th>Publication Date</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>84 FR 28836</td>
<td>June 20, 2019</td>
<td>June 2019 Duplication of Benefits Notice</td>
</tr>
<tr>
<td>84 FR 28848</td>
<td>June 20, 2019</td>
<td>June 2019 Duplication of Benefits Implementation Notice</td>
</tr>
<tr>
<td>76 FR 71060</td>
<td>November 16, 2011</td>
<td>Duplication of Benefits</td>
</tr>
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</table>

On June 20, 2019, HUD issued two Federal Register notices applicable to duplication of benefits, 84 FR 28836 and 84 FR 28848. Federal Register 84 FR 28836 is entitled “Updates to Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grants”. It outlines the new DOB requirements consistent with the Disaster Recovery Reform Act of 2018
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(DRRA) as provided in division D of Public Law 115-254. Federal Register 84 FR 28848 entitled “Applicability of Updates to Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees” provides implementation considerations for 84 FR 28836. These include the clarification that the new guidance supersedes and makes the November 2011 Federal Register 76 FR 71060 inapplicable to disasters occurring between 2015 and 2023 for any new activities or if the grantee revises policies and procedures and the applicable action plan for activities already being undertaken.

A duplication of benefits will occur if the Rebuild Florida program provides any assistance to a homeowner for the same purpose previous financial or in-kind assistance was provided for the repair, replacement or reconstruction of his or her home. A Homeowner Grant Agreement must be executed, and all required DOB Gap Funds must be submitted prior to construction beginning on the project. DOB Gap Funds must be submitted within 90 days of the execution of the Homeowner Grant Agreement, otherwise the homeowner’s application will move into an Inactive status.

### EXAMPLE GRANT CALCULATION

<table>
<thead>
<tr>
<th>Eligible Repair Costs</th>
<th>$95,000</th>
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</thead>
<tbody>
<tr>
<td>Duplication of Benefits</td>
<td></td>
</tr>
<tr>
<td>• FEMA assistance for structural repairs</td>
<td>$20,000</td>
</tr>
<tr>
<td>• Private Insurance for structural repairs</td>
<td>$35,000</td>
</tr>
<tr>
<td>Total Duplication of Benefits</td>
<td>$55,000</td>
</tr>
<tr>
<td>Maximum Eligible Grant Award</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

1.3.1 Subsidized Loans

**A. Small Business Administration (SBA) Loans**

Subsidized loans (including forgivable loans) are loans other than private loans in the context of the Federal Register notice 84 FR 28836, issued on June 20, 2019. Both SBA and FEMA provide subsidized loans for disaster recovery. Subsidized loans may also be available from other sources.

The full amount of a subsidized loan available to the applicant for the same purpose as CDBG-DR assistance is assistance that must be included in the DOB calculation unless one of the exceptions in Section V.B.2. of 84 FR 28836 applies. A subsidized loan is available when it is accepted, meaning that the borrower has signed a note or other loan document that allows the lender to advance loan proceeds.

**B. Exceptions**

(i) Reimbursement of grantee or subrecipient expenses
(ii) Declined or cancelled subsidized loans
(iii) Subsidized loans that meet statutory exception of DRRA amendments of 2018 to the Stafford Act

**C. Applicability**
Hermine and Matthew were both named storms in 2016 and Hurricane Irma occurred in 2017. As such each of DEO’s disaster recovery programs are subject to the provisions of the DRRA and may use exception iii of Section V.B.2 of 84 FR 28836. For DRRA Qualifying Disasters, a loan is not a prohibited duplication of benefits under section 3 12(b)(4)(C) of the Stafford Act, as amended by section 1210 of the DRRA, provided that all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency. This means that any portion of SBA loan that was drawn by an applicant can be eliminated as DOB if the applicant can prove that the funds were applied to cover a loss suffered as a result of Hermine/Matthew or Irma. All subrecipients must develop and implement a procedure to document use of SBA funds drawn for a disaster related purpose. DEO developed and implemented a procedure to document the same for directly administered activities.

- Declined loans will not be considered DOB. Declined loans should be determined from the SBA data feed and in absence of this data, self-certification from the applicant will be used.

- Cancelled loans that were accepted and never drawn will not be considered DOB. Cancelled loans that were never drawn may be documented through the SBA data feed demonstrating the $0 draw and the expiration of the loan term, written communication from the lender or a legally binding agreement between DEO or the subrecipient and the applicant.

- Accepted but undisbursed loan amounts (e.g., accepted but undisbursed SBA loan amounts) are not considered a DOB, but are subject to further requirements. Documentation required for proof of cancellation of loans may be either written communication from the lender or legally binding agreement between DEO or subrecipient and the applicant.

DEO advised subrecipients for Hermine or Matthew activities to revise DOB calculations consistent with this policy in order to address cases where SBA loans were counted as DOB prior to the issuance of 84 FR 28836 and 84 FR 28848. DEO also revised DOB calculations for directly administered activities under the Rebuild Florida program for Hurricane Irma to address the same. Further, future calculations of DOB will exclude SBA loans that meet the parameters of this policy.

The amount of additional CDBG-DR assistance must be based on a revised DOB analysis that excludes accepted but undisbursed loan amounts from total assistance when calculating the maximum CDBG-DR award. The grantee must notify the lender and must obtain a written agreement from the applicant that the applicant will not make additional draws from the subsidized loan without the grantee’s approval. The grantee must review and approve any subsequent draws to determine whether all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency, as required by the DRRA.

For Hermine or Matthew and other based activities for Irma, subrecipients must develop a written agreement between the grant applicant and the subrecipient binding the applicant to refrain from pursuing future draws against SBA loans. Subrecipients must also develop and implement a procedure to notify the lender that (1) additional CDBG-DR assistance is being provided to the applicant and (2) the applicant has agreed not to take any action to reinstate loan or payments.

For directly administered activities, DEO has developed a written agreement between the grant applicant and DEO binding the applicant to refrain from pursuing future draws against SBA loans. DEO also
developed and implemented a procedure to notify the lender that (1) additional CDBG-DR assistance is being provided to the applicant and (2) the applicant has agreed not to take any action to reinstate loan or payments.

1.3.2 Allowable Activities
Any portion of DOB funds that has been determined to have been spent by the applicant on allowable activities may be used to reduce the amount considered to be a DOB. The amount of allowable activities that are allocated to the specific Program award to offset the DOB is determined based on the percentage of specific Program DOB of the total DOB. This percentage method is used in lieu of allocating the total of allowable activities to only one of the Program’s awards. The applicant will be responsible for accurately reporting the specific amounts spent on the Allowable Activities and providing the acceptable level of supporting documentation for the exclusion of the cost from the DOB calculation. Unsupported costs will be included, and cannot be excluded, in the analysis.

DRRA, 84 FR 28836 and 84 FR 28848 apply so that a non-profit could provide funds to a homeowner, impacted by major disaster or emergency declared between 2015 and 2023, to address a Duplication of Benefit (DOB) gap by structuring the assistance as a zero-interest forgivable loan.

1.3.3 Subgrantee and/or Subrecipient Managed Disaster Recovery Programs
The DEO DOB review process includes forms to assist subrecipients and program staff in determining the amount of financial assistance that may be available to eligible disaster recovery applicants and to help ensure duplicative benefit is not received by an applicant. Applicants requesting CDBG-DR funds for disaster recovery assistance will be required to submit the following forms for all proposed activities prior to approval:

1. FEMA Declaration and Release Authorization Form
2. Florida Eligibility Release Form
3. Florida Duplication of Benefits Calculation Form
4. Duplication of Benefits Exception Acknowledgement Form, if applicable
5. Florida Insurance Affidavit
6. Florida Subrogation and Assignment Agreement

Subrecipients are required to maintain original completed forms and support documentation in contract and/or beneficiary files, and one copy of completed forms and support documentation are to be submitted to the DEO grant manager assigned to the subgrant agreement. Subrecipients must also address the requirement of these forms within their local CDBG-DR program policies and procedures.

DEO program staff will review subrecipient files during monitoring visits. If a duplicative benefit is discovered after the disaster recovery award was provided, the subrecipient will be required to recapture the amount of duplicative benefits provided and return the duplicative amount to DEO. DEO will withhold payment on any project or suspend activities if a duplicative benefit issue is not resolved. DEO will not complete the subgrant closeout processing until all identified duplication of benefits issues are resolved.

The Housing Rehabilitation Monitoring Checklist (DR-09), Infrastructure Activity Monitoring Checklist (DR-10) and Public Facilities Activity Monitoring Checklist (DR-11) on the DEO website are used to evaluate project files and to determine if the subrecipient has adequately reviewed applicants for these activities to prevent a potential duplicative benefit.
1.3.4 Duplication of Benefits Procedures

1. As part of the application review process, the applicant must complete and submit a FEMA Declaration and Release Authorization form, a Florida Eligibility Release form, Florida Duplication of Benefits Calculation form, a Duplication of Benefits Exception Acknowledgement form (if applicable), a Florida Insurance Affidavit form and a Florida Subrogation and Assignment Agreement form, with original signatures to the subrecipient. These forms will be published on the DEO website: www.floridajobs.org/CDBG-DR. The subrecipient will submit a copy of the forms completed in Step 1 to the DEO office in Tallahassee. If required documents are not submitted or are incomplete, a request to proceed with the activity will not be processed until the required documentation is received and approved. The subrecipient will be responsible for determining if the applicant received any financial assistance from the applicant’s insurance company or from any other source and include documentation in the applicant’s file.

2. DEO staff will use the submitted information from Step 1 to review FEMA and SBA databases or through the Freedom of Information Act to determine if the applicant has received any financial assistance from either of these two agencies. DEO staff will certify the review results to the subrecipient for the applicant’s file. To contact the FEMA office concerning requests, call 202-646-3323 or contact the agency electronically at fema-foia@dhs.gov. To contact the SBA office concerning requests, call 202-401-8203 or contact the agency by email at foia@sba.gov.

3. Upon receipt of the certified letter from DEO, the subrecipient will make the final selection of beneficiaries that are eligible to receive CDBG-DR funding.

4. The Duplication of Benefits Exception Acknowledgement form can be used if the applicant has received funding assistance for the repair of a storm damaged home, business, facility or infrastructure but did not use the funds for making repairs.

   a. Example: An applicant’s cost to fully repair a home is $90,000 based on actual bids or program limits, and the applicant received $10,000 from FEMA for housing repairs but did not spend the funding on housing repairs. The FEMA assistance must be considered a housing benefit received by the applicant, so the net award is $80,000. In HUD parlance, this is a non-duplicative benefit. The applicant will then have to fund the $10,000 difference themselves.

5. Subrecipients are required to maintain duplication of benefits forms and supporting documentation in the subgrant and/or beneficiary files. These files will be reviewed by DEO during monitoring visits using Housing Rehabilitation Monitoring Checklist (DR-09), Infrastructure Activity Monitoring Checklist (DR-10) and Public Facilities Activity Monitoring Checklist (DR-11). DEO will issue a finding if the subrecipient’s beneficiary files do not include the required documentation or the appropriate analyses were not conducted to prevent a duplicative benefit from occurring.

6. If a duplicative benefit is discovered after the disaster recovery award is provided, the subrecipient will be required to recapture the amount of the duplicative award.

7. The amount of duplicative benefits identified must be refunded. If the subrecipient’s agreement with DEO is still active, the refund amount must be returned to the subrecipient’s disaster recovery program. If the subrecipient agreement with DEO is closed, the refund amount must be returned to:
Subrecipients are required to maintain all corresponding financial transactions related to the refund(s) in the subrecipient agreement and/or beneficiary files and submit one copy of the completed documents and supporting documentation to the DEO grant manager assigned to the agreement.

DEO will withhold payment on any project or suspend activities if a duplication of benefits issue is not resolved in a timely manner. DEO will not complete the subrecipient agreement closeout process until all identified duplication of benefits issues are resolved.

DEO will have more in-depth DOB/VOB process per program. This process can be found in each program’s process flow in Part 2.

1.3.5 Duplication of Benefits Policy and Procedures for Property Owners Affected by Hermine or Matthew and Irma

A. Geography

Hermine and Matthew subrecipient housing programs will be run by the counties of: Citrus, Hernando, Pasco, St. Johns, and Volusia, as well as the City of Jacksonville in Duval County.

For Irma-affected property owners, the Rebuild Florida housing repair and replacement program run by DEO will serve property owners in the following counties and ZIP codes: Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwanee, Union, Volusia, 32084, 32091, 32136, 32145, 32771, 33440, 33523, 33825, 33870, 33935, 34266.

B. Property Owner choice in participation

Property owners affected by both Hermine or Matthew and Irma can choose to participate in either their local government’s housing recovery program for Hermine and Matthew or the state’s housing recovery program for Irma. The counties where this situation will arise include: Citrus, Duval, Hernando, Pasco, St. Johns, and Volusia.

Property owners who received damages as a result of Hermine or Matthew only are only eligible to apply to a subrecipient program.
Property owners who received damages as a result of Irma only are only eligible to apply to the Rebuild Florida state-run program.

C. Hermine or Matthew Subrecipients with applicants who also experienced Irma damages

Subrecipients are allowed to repair both Hermine or Matthew and Irma damages using Hermine and Matthew funding. In accordance with Federal Register Notice 5582-N-01, document number 2011-29634, a change in circumstances can affect need and result in the reevaluation of a grant calculation when applicants experienced property damage as a result of the 2016 storm (Hermine or Matthew) and had not yet completed repairs when the 2017 storm (Irma) occurred. The subsequent storm event is presumed to have resulted in additional unmet need.

DEO recognizes the near impossibility to distinguish damages attributable to different disaster events. Therefore, damages identified in the damage assessment need not be distinguished between storm events. All needed eligible repairs observed during the subrecipient damage assessment will be entered into the unmet need / award calculation.

The subrecipient must account for all sources of previous assistance received for Hurricanes Hermine or Matthew and Hurricane Irma for the purpose of permanent housing repair or replacement. The sources could result in prohibited duplication of benefits if not accounted for properly. The subrecipient must assess private insurance, NFIP, ICC, FEMA IA, and SBA disaster housing loans, as well as any non-profit or community based assistance provided to the applicant for permanent housing repairs under Hermine, Matthew and Irma disaster recovery assistance programs.

The subrecipient must calculate all sources of disaster recovery assistance previously provided to applicants for permanent repairs from both storms. Any documentable eligible uses of these sources of funding may be excluded from the calculation and deducted from the totaled source amount. All exclusions must be documented by eligible receipts provided by the applicant. If receipts are unavailable, the subrecipient must require the applicant to sign a self-certification form describing the attempted and/or completed repairs and estimated value of those repairs. The value that may be excluded from the duplication of benefit analysis and deducted from the total source amount must be determined by an inspection that identifies a line-item by line-item estimate of repairs completed, and must include enough photo documentation to support the estimate. Any amount that cannot be substantiated must be included in the duplication of benefit analysis and assessed as a duplication of benefits that will result in the reduction of the applicant’s benefit. Any gap between the repair / reconstruction estimate and the available applicant award must be paid by the applicant in accordance with the subrecipient’s program policies and procedures.

D. Cross program verification of application

Prior to any applicant award, the Hermine and Matthew subrecipient must verify with DEO to determine whether the proposed awardee is an applicant of the Rebuild Florida Irma program. If the subrecipient’s proposed awardee is an applicant of the Rebuild Florida Irma program, the applicant will be removed from the Rebuild Florida Irma program unless:

1. The Rebuild Florida program has already qualified an applicant for an award and referred the property to construction procurement at the time that the subrecipient attempts to verify
applicant participation; then, the applicant will be disqualified from the subrecipient’s housing program and the subrecipient’s application will be closed.

2. The Rebuild Florida program has qualified an applicant as eligible and the application has not been referred to construction procurement, then the applicant will be given the choice to close either the subrecipient application or the Rebuild Florida application. The applicant will have 15 business days (from date of initial notification from Hermine and Matthew subrecipient or Irma program representative) to notify both programs of his/her decision.

E. Notification requirements

At the time of application intake, Hermine and Matthew subrecipients must notify property owners that they may only be enrolled in one of the housing programs available—either the subrecipient’s Hermine or Matthew program or the state’s Rebuild Florida program. Subrecipients must further notify the applicant that prior to award, the applicant’s participation in only one program will be verified. Upon verification that the applicant is attempting to participate in both the subrecipient’s housing program and the state’s Rebuild Florida Irma program, the Rebuild Florida program application and the subrecipient’s application will be handled as set forth in Section D above.

F. Rebuild Florida applicants who also experienced Hermine or Matthew Damages

Applicants in the Rebuild Florida program with damages from both Hurricanes Hermine or Matthew and Irma will undergo a tiered analysis. The applicant will be required to sign a self-certification attesting to one of the following scenarios:

1. All Hurricane Hermine or Matthew damages were repaired and completed prior to Hurricane Irma. Hurricane Irma resulted in new damages.

2. Hurricane Hermine or Matthew damages were partially repaired and incomplete prior to Hurricane Irma. Hurricane Irma resulted in additional damages.

3. Repairs needed from Hurricane Hermine or Matthew damages were not initiated prior to additional damage resulting from Hurricane Irma.

Depending upon the scenario chosen by the applicant and sworn to by affidavit, the following procedures will be followed:

**Scenario 1:** If all repairs for Hermine or Matthew were completed, the applicant will sign an affidavit to this effect. All needed repairs will then be presumed to be Irma damage. Rebuild Florida will presume that the applicant spent all available Hermine or Matthew disaster recovery assistance on Hermine or Matthew repairs. Therefore, only Irma sources of potential duplication of benefits will be assessed.

**Scenario 2:** If Hermine or Matthew damages were partially repaired at the time of Irma and Irma resulted in additional damages, all sources of potential duplication of benefit from both storms will be used in the unmet need/award calculation for Rebuild Florida. Property owners will be required to provide receipts, invoices, contracts and/or other acceptable support documentation dated between September 2016 (Hermine) or October 2016 (Matthew), respectively, and present, to substantiate the value of damages experienced in Hermine or Matthew and the amount of previous disaster recovery assistance spent to make repairs prior
to Irma. Any documentable repairs made during this time period will be excluded from the duplication of benefit analysis and deducted from the duplication of benefit totaled sources.

Without supporting documentation, duplicative assistance received for Hermine or Matthew will be counted toward the calculation of duplication of benefits for Irma. If receipts are unavailable, the subrecipient must require the applicant to sign an affidavit describing the completed repairs and estimated value of those repairs. The value that may be excluded from the duplication of benefit analysis and deducted from the total source amount must be determined by an inspection that identifies a line-item by line-item estimate of repairs completed and must include enough photo documentation to support the estimate. Any amount that cannot be substantiated must be included in the duplication of benefit analysis and assessed as a duplication of benefits that will result in the reduction of the applicant’s benefit. Any gap between the repair / reconstruction estimate and the available applicant award must be paid by the applicant in accordance with Rebuild Florida Irma program policies and procedures.

**Scenario 3:** If no Hermine or Matthew damages were repaired prior to Irma and Irma resulted in additional damages, all sources of potential duplication of benefit from both storms will be used in the unmet need / award calculation for Rebuild Florida. No exclusions will be applied to reduce the amount of duplication of benefits assessed.

### 1.3.5.1 Multi-Disaster Procedural Requirements

The *Multi-Disaster Properties - Eligibility and Award Calculation Worksheet* will be incorporated into the subrecipients’ application intake and eligibility process, and the applicant’s award will be adjusted accordingly by the Hermine or Matthew subrecipient or Rebuild Florida Verification of Benefits (VOB) team to determine the overall Duplication of Benefits (DOB).

<table>
<thead>
<tr>
<th>Determine Eligibility</th>
<th>(1) Hermine or Matthew 2016</th>
<th>(2) Irma 2017</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Verified Loss level</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>b. Ownership</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>c. Located in Eligible County</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>d. Structure Type</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>e. Occupancy/Primary Residency</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Determine Other Assistance Received (DOB)</th>
<th>$ Total All Hermine or Matthew DOB Sources</th>
<th>$ Total All Irma DOB Sources</th>
<th>Column 1 + Column 2 This Row</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DOB Exclusions</th>
<th>(1) Hermine or Matthew 2016</th>
<th>(2) Irma 2017</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Receipts</td>
<td>$</td>
<td>$</td>
<td>Column 1 + Column 2 This Row</td>
</tr>
<tr>
<td>b. Paid invoices</td>
<td>$</td>
<td>$</td>
<td>Column 1 + Column 2 This Row</td>
</tr>
</tbody>
</table>
1.4 Contracts, Agreements and Modification Procedure

1.4.1 Preliminary Review Phase

1. Prepare and attach routing review form and agreement.
2. Send agreement and routing review form to “contract number request” inbox for agreement number.
3. RM/BM assigns agreement number and verifies budget information on the routing review form,
4. RM/BM sends routing review form to program area
5. Program area receives routing review form, prepares packet, and sends to Contracts and Grants DEO email inbox
6. Contracts and Grants Administration (CGA) loads the draft agreement packet to SharePoint folder and conducts a preliminary review
7. CGA notifies Office of General Counsel (OGC) agreement is ready to review
8. OGC reviews and edits agreement in SharePoint
9. CGA reviews agreement and notifies program area agreement packet is ready for review and finalization
10. Program area will review and finalize agreement and notify CGA

1.4.2 Pre-Execution Hard Copy Review Phase

1. CGA will prepare packet/DocuSign envelope and send it to RM
2. RM reviews and approves agreement packet and sends to CGA
3. CGA routes completed agreement packet according to delegation authority threshold
4. Bureau Chief reviews and approves agreement packet
5. Division reviews and approves according to delegation
6. CGA notifies program contract is ready to send to entity
7. Program area sends package to entity for signature

1.4.3 Final Execution Phase
1. Program receives signed agreement from entity
2. Program sends agreement packet (hard copy or e-copy) to CGA for execution
3. CGA reviews agreement and routes to OGC
4. OGC reviews, signs for legal sufficiency and notifies CGA
5. CGA sends agreement and obtains appropriate signatures according to delegation of authority for final signature
6. Program sends final copy of agreement to entity
7. Program sends FACTS forms to CGA
8. CGA reviews and sends FACTS forms to RM
9. RM updates FACTS

1.5 Environmental Review Record (ERR) and Request for Release of Funds (RROF)

1.5.1 Overview
The National Environmental Policy Act of 1969, as amended (NEPA), established national policies, goals, and procedures for protecting, restoring, and enhancing environmental quality. It requires the evaluation of environmental impacts of proposed federally funded projects and identification of mitigation measures to minimize or prevent adverse impacts. All projects funded by HUD CDBG-DR proposed by DEO or their Subrecipients will require an Environmental Review Record (ERR) to be completed by the Responsible Entity (RE) in compliance with NEPA, Council on Environmental Quality (CEQ) regulations 40 CFR Parts 1500–1508, HUD 24 CFR Part 50, 51, 55, and 58, and all applicable state and local regulations.

1.5.2 Environmental Review Record and Responsible Entity
An Environmental Review Record (ERR) is a written record of the environmental review undertaken by the Responsible Entity (RE) for each project and must be available for public review upon request. The RE can be the State or a unit of general local government (also known as the Grantee or Subrecipient). The RE is responsible for developing the project description, determining the level of environmental review, and preparing and maintaining the ERR. The Grantee must designate a Certifying Officer as the responsible Federal official to assume legal responsibility for certifying that the Grantee or Subrecipient followed all environmental requirements. The ERR must provide a comprehensive project description and evidence of the process from start to finish, including environmental review documents, public notices, and written determinations or environmental findings as required by 24 CFR Part 58. The three basic steps environmental reviews are:
• **Project Aggregation** – The Responsible Entity should evaluate the entire scope of the project and include all funding sources that may be used in conjunction with the project. The project scope should include any related activities necessary to accomplish the project.

• **Determine the Level of Review** – The Responsible Entity must determine which level of environmental review is appropriate for each identified activity within the project scope.

• **Documentation** – The Responsible Entity must complete all documents necessary for the appropriate level of environmental review as the process is comprehensive and detailed. The amount of information needed to complete the review depends on the type of project the Responsible Entity is proposing.

### 1.5.3 Grantee and/or Subrecipient Responsibilities

In response to Hurricane Irma, the state of Florida DEO, as the Grantee, is directly administering the Single-Family Housing Recovery Program and is the Responsible Entity. Economic Development, Voluntary Buyout, and Florida Housing Finance Corporation (FHFC) projects are Subrecipient projects. The RE for Subrecipient projects may be DEO or the Subrecipient. If the Subrecipient is designated the RE, they will be responsible for completion of the ERR and submittal to DEO for review and acceptance by the Certifying Officer. The five primary responsibilities of Grantees/Subrecipients related to completion of the environmental review record process are:

• Designate an Environmental Officer to conduct the environmental review record process.

• Confirm that the Environmental Officer is provided with guidance and technical assistance during the environmental review process.

• Assure that no CDBG-DR (except those that are administration or planning requests) are released until all environmental review record requirements have been satisfied.

• Verify that proper environmental certification has been completed including documentation and public notice and comment periods, if required.

• Conduct re-evaluation of the environmental review record process when there are modifications to proposed project activities that are not exempt.

• Satisfy monitoring requirements, including an examination of the environmental review record process and project specific ERRs.

### 1.5.4 Environmental Review Record Procedure

The process for completing the ERR in compliance with [24 CFR Part 58](https://www.gpo.gov/fdsys/archive/gpo6/gpo6pdf/gpo6pdf-24cfr58.pdf) includes the following:

**Step 1: Designate Responsible Entity**

The Responsible Entity (RE) is the State or a unit of general local government (also known as the Grantee or Subrecipient) responsible for the preparation of the ERR, environmental decision-making, and all environmental actions. The RE must be knowledgeable, qualified and have the experience necessary to prepare and evaluate ERR documents for conformance with NEPA and [24 CFR Part 58](https://www.gpo.gov/fdsys/archive/gpo6/gpo6pdf/gpo6pdf-24cfr58.pdf). Grantee/Subrecipient must develop the Project Description and determine what level of review is required for their proposed project.

**Step 2: Develop Project Description**
The project description is critical in determining the level of environmental review required. A reader should clearly understand the scope, scale, nature and extent of the proposed project from the description. At a minimum, the project description should contain the following:

a. ALL proposed project activities by all funding sources, described in detail.

b. Entire project scope and all phases of the project from beginning to end.

c. Exact project location(s)/area(s), supported by a locational map.

d. Color photographs, site plans, project plans, and maps (e.g., topographic, aerial).

e. Total project costs by all funding sources.

f. Existing environment on and around project site and how it is expected to change as a result of the project.

g. Temporary impacts anticipated by construction activities and a timeline for construction.

h. Other information as recommended by environmental agencies and project professionals.

Step 3: Determine Activity Classification

The Responsible Entity must ensure the level of environmental review per 24 CFR Part 58 is appropriate for the proposed project in order to correctly complete the necessary documentation. Determining the activity classification is the responsibility of the Responsible Entity. To do this, the RE or Grant Administrator must list all activities associated with the project and match the activities to the appropriate classification. The five environmental classifications are:

- Exempt § 58.34
- Categorically Excluded Not Subject to § 58.5 (CENST)
- Categorically Excluded Subject to § 58.5 (CEST)
  - Tier I (also known as a Broad Review or Tiered Unspecified Site Strategy)
  - Tier II
- Environmental Assessment § 58.36 (EA)
- Environmental Impact Statement § 58.37 (EIS)

Examples of Typical Disaster Recovery Projects*

<table>
<thead>
<tr>
<th>Proposed Project</th>
<th>Level of Environmental Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development – Business Recovery Grant Program</td>
<td>Exempt</td>
</tr>
<tr>
<td>Repair of Single-Family Home</td>
<td>Tier I and Tier II</td>
</tr>
<tr>
<td>Reconstruction of Single-Family Home</td>
<td>Tier I and Tier II</td>
</tr>
<tr>
<td>Infrastructure – Drainage Improvement</td>
<td>Environmental Assessment</td>
</tr>
<tr>
<td>New Multi-Family Construction</td>
<td>Environmental Assessment</td>
</tr>
</tbody>
</table>

* This not an exhaustive list, project specific characteristics could result in the need for an elevated level of Environmental Review from what is indicated above.
If the proposed activities qualify under multiple level of review classifications, the Responsible Entity must follow the review steps listed under the most stringent classification.

**Exempt Activities**

A proposed activity is Exempt when there are no anticipated effects on the physical environment. In general, qualifying activities are associated with Administration and Planning activities, such as studies and design. The complete list of exempt activities is available in 24 CFR 58.34. If the proposed project consists only of exempt activities, the RE will need to complete the HUD Exemption Form. A Notice of Intent/Request for Release of Funds (NOI/RROF) is not required.

**Categorically Excluded Not Subject To (CENST) § 58.5 Activities**

Proposed activities that qualify as Categorically Excluded Not Subject To (CENST) are activities that would not alter any conditions that would require a review or compliance determination under 24 CFR 58.5. In general, these activities are associated with financial assistance, support services, and operating and maintenance costs. The complete list of CENST activities is available in 24 CFR 58.35(b). If the proposed project consists only of qualifying CENST activities, the RE will need to complete the HUD CENST Form, which is the same as the Exemption Form. A Notice of Intent/Request for Release of Funds (NOI/RROF) is not required.

**Categorically Excluded ‘Subject To § 58.5 (CEST) Activities**

Proposed activities that qualify as Categorically Excluded Subject To (CEST) are activities that are not expected to require and Environmental Assessment or Environmental Impact Statement except under extraordinary circumstances. In general, these activities are associated with the repair, improvement, reconstruction of public facilities and modifications to increase accessibility for disabled to public facilities. A complete list of CEST activities is available in 24 CFR 58.35(a). If the proposed project consists only of qualifying CEST activities, the RE will need to complete the HUD CEST Form. The proposed project may benefit from a Tiered approach if activities are repetitive. Please see DEO Environmental Review forms for information regarding the Tiered Approach. A Notice of Intent/Request for Release of Funds (NOI/RROF) is required.

**Tiered Approach**

Tiering is a method for streamlining the environmental review process and increasing efficiency by enabling the Environmental Officer to “eliminate repetitive discussions of the same issues and to focus on the actual issues ripe for decision at each level of environmental review” (40 CFR 1502.20). The Tier approach can be applied to proposed activities that qualify for CEST and EA level environmental reviews and consists of two phases: Broad Review (Tier I) and Site-specific Review (Tier II). Collectively, the Broad Review and Site-specific Review satisfy ERR requirements under 24 CFR Part 58. Proposed rehabilitation and reconstruction activities of Single-Family (four units or less) Homes participating in Rebuild Florida’s Housing Recovery Program qualify CEST-level environmental review using the Tiered approach. Rebuild Florida’s Housing Recovery Program Broad Reviews were completed at the County level and Site-specific Review will be completed for each property once Eligibility and the Pathway Determination are made.

**Broad (Tier I) Review**

Broad Reviews encompass geographical areas or neighborhoods often with similar environmental characteristics. During the Broad Review, the RE must consider all environmental laws and authorities
that require compliance. If the proposed activities can be determined to have no adverse impact on an environmental resource and comply with the associated environmental law/authority, then environmental resource can be cleared during the Broad Review.

When proposed activities have the potential to adversely impact environmental resources or compliance with the associated environmental law/authority cannot be determined, then a protocol for compliance must be included in the Broad Review. The protocol will establish parameters to achieve compliance for each unresolved environmental resource during the Site-Specific Review.

If the proposed project consists only of qualifying CENST or EA activities, the RE will need to complete the HUD Broad Review Form. A Notice of Intent/Request for Release of Funds (NOI/RROF) is required.

Site-Specific (Tier II) Review
The Tier II Site-Specific Review will address all outstanding potential impacts to environmental resources and assess compliance with the associated environmental law/authority as determined by the Broad Review. If the additional proposed activities are consistent with the activities covered within the Broad Review, then the RE may proceed and will need to complete the DEO generated Tier II Site-Specific Checklist. Supporting documentation, at a minimum should include:

1. Photographs;
2. Property Tax Card;
3. Maps produced using ArcGIS from data feeds from state or federal agencies that were utilized to perform the desktop review;
4. Toxic and/or Hazardous Sites Spreadsheet;
5. Coordination or exemption letters from state or federal agencies; and
6. Any other supporting documentation.

Environmental Assessment
A project that cannot be classified as Exempt or Categorically Excluded will require the completion of an Environmental Assessment (EA) under 24 CFR 58.36. These activities are usually those that have a greater potential for a direct impact on the physical environment. Example activities include:

1. A change in use;
2. Any new construction;
3. Major rehabilitation;
4. A change in size or capacity by more than 20%;
5. New single-family housing in which 5 or more homes are located within 2,000 feet of one another.

If the proposed project consists only of qualifying EA activities, the RE will need to complete the HUD EA Form. A Finding of No Significant Impact/Request for Release of Funds (FONSI/RROF) is required.

Environmental Impact Statement
If the proposed project is determined to have a potentially significant impact on the physical and/or human environment, an Environmental Impact Statement (EIS) is required. This determination is based upon the environmental responses collected from the applicable agencies.
In the event this situation does occur, the Responsible Entity must use the recommended format of the CEQ regulations (40 CFR 1502.10).

The [EIS Notice of Requirements for Responsible Entities Memo](#) details the Public Notice requirements for EIS.

**Step 4: ERR Agency Coordination**

A. Contact appropriate federal, state and local agencies.
   - Provide a minimum 30-days from the date of receipt for agency comments or concerns. Some agencies may require 45-60 days.
   - It is suggested letters mailed are sent by “certified mail, return receipt”.
   - Letters included within an email shall request a delivery and read receipt.
   - Only the Responsible Entity may formally contact and consult with the State Historic Preservation Office (SHPO) and the Native American Indian Tribes. Letters sent to these agencies must be on the Responsible Entity’s official letterhead and signed by the Responsible Entity; (e.g. Mayor).
     - If a response regarding a project raises concerns or requires further documentation and/or study, it is the Responsible Entity’s responsibility to address the issue and to obtain the necessary documentation, clearances and/or permits prior to submitting the ERR to DEO.
       - Example: SHPO may require a Cultural Resource Survey to be performed in an undisturbed area where construction is proposed. In this event, the Responsible Entity must complete the survey and receive clearance from SHPO.
   
B. Complete all requirements of Part 58 associated with the project or activity; (e.g. conduct the 8-Step Decision Making Process under 24 CFR Part 55 for projects located in a floodplain and/or wetland).

C. All maps should be in color and include the project location; (e.g. FIRM or floodplain map).

D. Provide a detailed scope of work. This should include all HUD and non-HUD funded portions of a project or activity and the associated cost for each.

E. At the conclusion of the environmental review, the Responsible Entity will certify the project meets the appropriate level of review; (e.g. Categorically Excluded Subject To or Environmental Assessment). The signature of the Responsible Entity must occur prior to publication or posting of the NOI-RROF or Concurrent public notice.

F. Provide the appropriate public notice based on the review conducted. Ensure the public was allowed the required period of time to comment/respond based on the type of notice.

G. The Request for Release of Funds (7015.15) form is signed by the Responsible Entity.

H. Environmental review is complete. Submit the ERR to DEO.

I. DEO public comment period begins the date the ERR is received. DEO will date stamp the ERR upon arrival.
J. The Responsible Entity will be notified by DEO if additional information is needed as a result of the ERR review.

K. When the ERR has been cleared by DEO and any public comments addressed, DEO will issue the Authority to Use Grant Funds (7015.16) form to the Responsible Entity. HUD or non-HUD funds may not be spent on a project until this document is received by the RE.

L. For housing projects in which a site-specific environmental review is required, an additional clearance must be received from DEO prior to expenditure of funds on the individual project.

M. For projects in which the Authority to Use Grant Funds (7015.16) was previously issued but the scope of work has changed, compliance with 24 CFR 58.47 must be met. An updated ERR is to be submitted to DEO and clearance received on the new scope of work prior to funds committed on the new project area.

1.5.5 Public Notices
The required public notice affords the public the opportunity to be informed of the upcoming project or activity. Notices which are published must be in a news medium that reaches the local community in which the project will be located. The publication of notices shall be followed by a comment period counted in calendar days. A comment period may not end on a weekend or holiday. If this occurs, the official last day to comment is moved to the next weekday.

A. Early Notice and Public Review of a Proposed Activity in a 100-Year Floodplain or Wetland
   • Public Comment Period: 15- days (publication required)

B. Final Notice and Public Review Explanation of a Proposed Activity in a 100-Year Floodplain or Wetland
   • Public Comment Period: 7-days (publication required)

C. Notice of Intent to Request Release of Funds (NOI-RROF)
   • Public Comment Period: 7-days (published); 10-days (posted)

D. Concurrent Notice – Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds
   • Public Comment Period: 15-days (published); 18-days (posted)

The ERR is to include a copy of the public notice and a notarized statement from the news medium verifying the date of publication. Notices which are posted must be located in multiple locations (e.g. post office, community center, government offices, etc.) and include a notarized statement verifying the locations posted.

The environmental review must be completed prior to the submission of the ERR to DEO. The type of project a Responsible Entity is completing will determine the level of review and the necessary documentation that will be required.
1.5.6 State Historic Preservation Officer (SHPO)

1.5.7 Procedures for Making Determinations on Floodplain & Wetland Management

An 8 Step Decision Making Process (24 CFR 55.20)

Projects located within a floodplain or within a designated wetland are subject to Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands) respectively. HUD regulations describe measures for protecting floodplains and wetlands. The required 8-Step Process is explained below:

**Step 1:** Determine whether the proposed action is located in a 100-year floodplain and/or wetland. This is determined by FEMA Floodplain Maps the Wetlands Maps. If no maps are available, use the best available information. If the proposed action would not be conducted in one of those locations, then no further compliance with this part is required. Categorically Excluded projects are NOT excluded from this process.

**Step 2:** Notify the public at the earliest possible time of a proposal to consider an action in a floodplain and/or wetland, and involve the affected and interested public in the decision-making process. This is accomplished by publishing the Early Public Review Notice.

a. The public notices required in this section may be combined with other project notices wherever appropriate. All notices must be published in an appropriate local printed news medium.

b. Notices must be bilingual if the affected public is largely non-English speaking. All notices must be published in an appropriate local printed news medium.

c. Notices must be sent to federal, state, and local public agencies, organizations and individuals known to be interested in the proposed action.

d. A minimum of 15 calendar days shall be allowed for comment on the public notice.

e. A notice under this paragraph shall state: the name, proposed location and description of the activity, the total number of acres of floodplain and/or wetlands involved, and the name of the Chief Elected Official (CEO), and phone number to contact for information. The notice shall indicate the hours of operation for the Unit of Local Government (ULG’s) at which a full description of the proposed action may be reviewed.

**Step 3:** Identify and evaluate practical alternatives to locating the proposed action within the floodplain and/or wetland.

a. The consideration of practical alternatives to the proposed site or method may include:

   i. Locations outside the floodplain and/or wetlands;

   ii. Alternative methods to serve the identical project objective; and

   iii. A determination not to approve any action.

b. In reviewing practical alternatives, the Responsible Entity shall consider feasible technological alternatives, hazard reduction methods and related mitigation costs, and environmental impacts.

**Step 4:** Identify the potential direct and indirect impacts associated with the occupancy or
modification of the floodplain and/or wetland.

**Step 5:** Where practical, design or modify the proposed action to minimize the potential adverse impacts within the floodplain and/or wetland and to restore and preserve its natural and beneficial values.

**Step 6:** Re-evaluate the proposed action to determine:

a. Whether it is still practical in light of its exposure to flood hazards in the floodplain, the extent to which it will aggravate the current hazards to other floodplains and/or wetlands, and its potential to disrupt floodplain and/or wetland values; and

b. Whether alternatives preliminarily rejected at Step 3 of this section are practical in light of the information gathered in Steps 4 and 5 of this section.

**Step 7:** Publish the Final Notice of Explanation.

a. If the re-evaluation results in a determination that there is no practical alternative to locating the proposed project in the floodplain and/or wetland, the Responsible Entity shall publish the Final Notice of Explanation that includes:
   i. The reasons why the project must be located in the floodplain and/or wetland;
   ii. A list of the alternatives considered; and
   iii. All mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values.

b. Notices must be sent to federal, state, and local public agencies, organizations and individuals known to be interested in the proposed action.

c. In addition, a minimum of 7 calendar days shall be provided for public comment before the approval of the proposed action. This notice may be run concurrent with either the (FONSI/RROF) or the NOI/RROF.

**Step 8:** Upon completion of the decision-making process in Steps 1 through 7 implementation of the proposed action to proceed. There is a continuing responsibility to ensure that the mitigating measures identified in Step 7 are implemented.

**1.5.8 Re-Evaluation of Previously Cleared Projects (24 CFR 58.47)**

Sometimes projects are revised, delayed or otherwise changed such that a re-evaluation of the environmental review is necessary. The purpose of the re-evaluation is to determine if the original findings are still valid. If the original findings are still valid, but the data and conditions upon which they were based have changed, the Responsible Entity must update their ERR by including this re-evaluation and its determination based on the changed circumstances. The re-evaluation is to be submitted to the State for clearance and should include:

- A written statement, on the Responsible Entity letterhead, explaining why the re-evaluation must occur and how it was conducted.

- Reference the original ERR and the issuance of funds (7015.16).

- Describe the new project activities.

- Provide maps delineating both old and new project areas.
Include all correspondence when agencies are contacted and associated documentation.

Cost of the project and funding source(s).

Determine if the original FONSI is still valid [see 24 CFR 58.47 (b)(1)].

Indicate whether comments or concerns were received during the initial environmental review.

Statutory Worksheet or Environmental Assessment documents may be utilized.

The written statement is signed and dated by the Responsible Entity.

If it is determined that the original findings are no longer valid, and the re-evaluation indicates potentially significant impacts, the Responsible Entity must prepare an Environmental Assessment or EIS.

Every project undertaken with CDBG-DR funds and all additional activities related to that project are subject to environmental review and the provisions of NEPA, as well as to HUD environmental review regulations at 24 CFR Part 58.

An environmental clearance must be obtained for each project prior to the firm commitment of federal funds, even if non-federal funds are also being used. No work may start on a proposed project prior to completion of the environmental review. A violation of this requirement will jeopardize all federal funding for the project and all costs that were incurred before the completion of the environmental review will be disallowed.

The primary objectives of the HUD environmental review are to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors. The environmental review includes an evaluation of potential adverse effects and mitigation related to: noise abatement and control; historic preservation; coastal zone management; the Clean Air Act; environmental justice; airport clear zones; floodplains; wetlands; sole-source aquifers; wild and scenic rivers; explosives and flammable operations; hazards, toxics, and radioactive material substances; endangered species; and farmland protection.

All CDBG-DR funded projects and activities must have documentation that they are in compliance with NEPA and all other environmental requirements. The purpose of this section of the manual is to provide guidance in the ERR process to meet NEPA and environmental requirements.

1.5.9 Lead-based Paint, Asbestos and Mold

Requirements pertaining to the health and well-being of families and children must be evaluated in conjunction with building rehabilitation or repair and demolition projects.

Lead-based Paint

The presence of lead-based paint in housing units constructed prior to January 1, 1978, is a concern in any housing rehabilitation or demolition project and must be addressed. Housing units assisted with disaster recovery funding must comply with the federal regulations in 24 CFR Part 35 and be addressed as part of the environmental review of the project. Subrecipients are required to include an assessment of the presence of lead-based paint in their environmental documentation submitted to DEO. If lead-based paint is present, the safe containment, mitigation or removal and disposal of the lead-based paint must be addressed.

The subparts of 24 CFR 35 that apply to the disaster recovery program are:
Subpart A—Disclosure of Known Lead-based Paint and/or Lead-based Paint Hazards Upon Sale or Lease of Residential Property;
Subpart B—General Requirements and Definitions;
Subpart J—Rehabilitation;
Subpart K—Acquisition, Leasing, Support Services, or Operation; and
Subpart R—Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction Activities.

Exemptions to 24 CFR 35 Subparts B, L, K and R are described in 24 CFR 35.115:
- Residential construction that was completed on or after January 1, 1978;
- A zero-bedroom dwelling unit, including a single room occupancy dwelling unit;
- Housing exclusively for elderly or persons with disabilities, unless a child under the age of six resides or is expected to reside in the dwelling unit;
- Residential property in which all lead-based paint has been identified, removed, and clearance has been achieved in accordance with the requirements outlined in 24 CFR 115(5);
- An unoccupied dwelling unit or residential property pending demolition that will remain unoccupied until demolition;
- Property or a part of a property that will not be used for human residential habitation, except entryways, hallways, corridors, passageways or stairwell serving both residential and nonresidential uses in a mixed-use property shall not be exempt;
- Any rehabilitation that does not disturb painted surfaces;
- Emergency actions immediately necessary to safeguard against imminent danger to human life, health, or safety, or to protect property from further damage (occupants must be protected from exposure to lead in dust and debris generated from the emergency actions to the extent practical); or
- Property seized by a federal law enforcement agency, which the agency has owned for less than 270 days.

In addition:
- Subpart K does not apply if assistance being provided is for emergency rental assistance or foreclosure prevention assistance. This exemption expires no later than 100 days after initial payment or assistance.
- Required evaluation or lead-based paint hazard-reduction or lead-based paint abatement on an exterior painted surface is delayed due to weather conditions or unsuitable conventional construction activities.
- If requested by the State Historic Preservation Office, property is listed or has been determined to be eligible for listing on the National Register of Historic Places or contributing to a National Register Historic District, interim controls and maintenance and reevaluation must be conducted as required in 24 CFR 35.115(13).

For more information, please review 24 CFR 35.115.

Subparts B, J K, and R are referred to as the Lead Safe Housing Rule. The Lead Safe Housing Rule requires different approaches to addressing lead-based paint hazards in different housing rehabilitation projects based on the amount of funding assistance. The funding levels are: up to and including $5,000 per unit, more than $5,000 up to and including $25,000 per unit and more than $25,000 per unit. The method for
calculating these threshold amounts can be found in 24 CFR 35.915 and the applicable evaluation and hazard reduction requirements are located in 24 CFR 35.930.

Monitoring for lead-based paint is included in the Housing Rehabilitation Monitoring Checklist (DR-09). A copy of this checklist is available on the DEO CDBG-DR website at www.floridajobs.org/CDBG-DR.

**Asbestos**

Subrecipients are required to address asbestos in their environmental evaluation of a housing rehabilitation or demolition project in the environmental documentation submitted to DEO. HUD does not have specific regulations related to asbestos as it does for lead-based paint. Nonetheless, to ensure housing units are decent, safe and sanitary, which is a HUD requirement, housing rehabilitation and demolition projects need to determine if asbestos is present, especially in structures built before 1978. Federal requirements that apply to asbestos removal and safe disposal of asbestos containing materials can be found in the U.S. Environmental Protection Agency’s air pollution standards, particularly Clean Air Act and Occupational Safety and Health Act requirements.

In addition to the federal regulations discussed above, asbestos-abatement requirements are located in Chapter 469, Florida Statutes. A qualified asbestos inspector must be used to undertake a comprehensive evaluation of the housing unit for the presence of asbestos.

**Mold**

HUD does not have specific regulations related to mold. Nonetheless, to ensure housing units are decent, safe and sanitary, which is a HUD requirement, housing rehabilitation projects need to determine if mold is present. Mold can be a significant problem in homes that receive water damage due to a qualifying storm event. The United States Environmental Protection Agency has published two useful guides on mold and cleanup: “A Brief Guide to Mold, Moisture and Your Home” and “Mold Remediation in Schools and Commercial Buildings.”


Further information about DEO’s Environmental Review processes are available in the following resources:

- Steps for Unspecified Site Strategy Form
- Certification of Categorical Exclusion Form
- Categorically Excluded Not Subject to Form
- Documentation of Compliance with 24 CFR Part 58
- Unspecified Site Strategy Form
- Steps for Unspecified Site Strategy for Housing Form
- Statutory Worksheet
- Certificate of Exemption
- Categorically Excluded Subject to 58.5
- Environmental Assessment Form
- Site Specific Checklist (Disaster Recovery Only)
- Categorically Excluded Statutory Checklist
- Environmental Assessment Checklist
- Hurricane Irma Site-Specific Checklist
- Rebuild Florida Bald Eagle Protocol
- Approval Letter with SHPO
- Environmental Assessment Checklist
1.6 Relationship between the Subrecipient and the State: Managing the Process

1.6.1 Risk Assessment and Management Capacity

The purpose of the risk assessment is to define the scope and focus monitoring efforts, including establishing a framework for determining the appropriate level of monitoring for subrecipients consistent within available resources. The risk assessment documents decisions and recommendations regarding where to apply staff and travel resources for monitoring, training and/or technical assistance to be directed to those subrecipients most in need of assistance to prevent potential problems or to quickly resolve problems that do arise.

DEO will monitor subrecipients throughout the disaster recovery process. Subrecipients will be assessed for capacity, financial controls, and project progress. DEO will monitor subrecipient activities for compliance with federal requirements, terms of the grant agreement, file management and program policies and procedures.

The DEO Risk Assessment is used to determine the risk category as high, medium, or low. Based on the risk assessment, an individual subrecipient monitoring plan is developed that includes the method of monitoring (onsite or desktop review), specific areas of the program to be monitored, frequency of monitoring, and areas where technical assistance and training may be needed.

Each state fiscal year, a risk assessment will be required to be completed on or before June 15 to continually review and identify subrecipients with active agreements and remaining program deliverables. The completed annual assessment will also be used to establish the anticipated monitoring schedule for the ensuing state fiscal year (July 1–June 30).

At least three onsite reviews must be performed for each of the subrecipient’s projects/programs prior to closeout. High- and medium-risk projects/programs will include additional monitoring.

Prior to closeout, at least one onsite review should be conducted of all programs/projects implemented by the subrecipient. Project/program monitoring should occur early enough during the program/project to provide adequate time for technical assistance and/or corrective action to resolve problems.

1.6.2 Procedure: Risk Assessment/Monitoring

1. Program staff completes DEO’s New Subgrant Risk Assessment Checklist (DR-34) on the subrecipient.
2. Program staff determines the subrecipient’s risk rating.
3. Program staff forwards the Risk Analysis Checklist and the risk rating to supervisory staff.
4. Supervisory staff reviews subrecipient’s risk rating.
5. Based on the subrecipient risk level, a monitoring plan will be tailored accordingly.
6. Program staff conducts applicable monitoring.
7. Program staff periodically re-evaluates the subrecipient’s risk rating to determine if it has changed as a result of the monitoring.
   a. If the risk rating has not changed, the existing monitoring plan remains in effect, and no other action is needed.
   b. If the risk rating has changed, the program staff informs the supervisory staff.
8. Supervisory staff will determine if the subrecipient’s risk rating should be changed.
   a. If the supervisory staff determines the subrecipient’s risk rating does not need to be changed, the existing monitoring plan remains in effect and no other action is needed.
   b. If the supervisory staff determines the subrecipient’s risk rating needs to be changed, the program staff revises and updates the monitoring plan.
9. The procedure is repeated as necessary.

1.6.3 Monitoring Sub-grantees
Monitoring is an important component of grant management. It ensures that activities specified in the subgrant agreement progress toward timely completion and allows for early identification of potential issues and problems so they can be prevented or corrected. The DEO CDBG-DR monitoring program includes desk monitoring and onsite monitoring.

Desk Monitoring
A desk review assesses compliance with program, contractual, HUD, CDBG-DR, and other federal, state and local requirements without visiting the subrecipient. A desk review can assist with identifying potential problems early, preventing compliance violations and helping improve performance. Typical desk monitoring includes review of contracts, procurement documents, requests for payments and often environmental documents. Risk assessment results may be used to identify specific areas of concern and to determine the frequency of desk reviews.

Desk monitoring includes the following:
- Review of procurement procedures used to select professional and construction services
- Wage decisions
- Contractor clearances
- Plans and specifications
- Subrecipient policies related to fair housing, equal opportunity and compliance with the Americans with Disabilities Act
- Responses to monitoring reports
- Requests for funds
- Financial audits and management decisions
- Review of periodic reports
Onsite Monitoring

Onsite monitoring activities are those activities conducted at a site where program/project records are maintained, production occurs or both. Onsite monitoring is an effective way to validate desk review results, identify and/or research discrepancies and more closely monitor high-risk program components.

Program staff will conduct a minimum of three onsite monitoring visits. The first monitoring visit includes a site visit to confirm information in the application and conduct a review of the subrecipient’s administrative and financial capabilities, including the subrecipient’s capacity to monitor contractors, work progress and any subrecipients (e.g., disaster recovery funds provided to the county that are passed through to the municipalities). The second monitoring visit will be conducted to evaluate work progress, compliance with Davis-Bacon Act requirements and duplication of benefits records and review the subrecipient’s financial transactions and records, among other considerations. The third monitoring visit is conducted to verify completion of activities and prepare for closing out the subgrant. Additional monitoring visits will be scheduled based on the risk assessment and on the results of previous monitoring visits.

Typical onsite monitoring includes the following:

- Program administration
- Financial management
- Housing rehabilitation activities
- Public infrastructure activities
- Public facilities activities

The Program has developed checklists to assist grant managers in monitoring subgrantees. These checklists will be available on the DEO website at www.floridajobs.org/CDBG-DR. Grant managers determine which of these monitoring checklists is needed for each onsite or desk monitoring. Checklists ensure that all phases of the subrecipient’s administrative and programmatic activities are appropriately reviewed during the grant period. These checklists are identified in each of these sections.

Monitoring Visit

Prior to scheduling any monitoring visit, program staff completes the Disaster Recovery Pre-Monitoring Checklist (DR-02). This form identifies areas to be monitored, any open findings or concerns, and any special conditions that have not been met. DEO disaster recovery staff will notify the subrecipient 30 days prior to the onsite monitoring date. This letter is referred to as the “Coming to Town” letter and includes the date of the monitoring visit and identifies areas to be monitored. An onsite entrance conference will be conducted at the beginning of the monitoring review. The entrance conference outlines the purpose of the monitoring visit and files that will be reviewed. Once the review is completed, program staff will conduct an exit conference to discuss preliminary results of the monitoring review. Any findings, concerns, or other issues relative to compliance with federal code, state law, administrative rule, program requirements or sub-agreement terms and conditions will be discussed at the exit conference. The discussion may include anticipated requirements for corrective action. It is recommended that the chief elected official be present for this conference.

Monitoring Reports
Upon returning to the office, program staff will use the checklists completed during the monitoring visit and prepare the monitoring report in a letter format summarizing items reviewed during the monitoring visit and identifying any findings, areas of concern or other deficiencies and include recommended corrective actions. A finding is a violation of a statutory, regulatory or program requirement for which corrective actions are required. A concern is an issue that, if not addressed and corrected, may later result in a finding and may require a corrective action.

Monitoring reports are to be prepared and mailed to the subrecipient within 60 days following the monitoring visit. If any additional information is needed from the subrecipient to complete the monitoring report, a request for that information must be made within two weeks after returning from the monitoring visit. Requests for additional information must be documented in the grant file. Appropriate documentation includes copies of emails, telephone logs, memoranda, letters, or other similar documentation. If a response is required, the subrecipient has 45 days to respond to a monitoring report.

After receiving a response to the monitoring report, a letter to the subrecipient regarding adequacy of the response will be prepared and mailed within 45 days. Requests for funds will be withheld if the subrecipient does not respond to findings or concerns within the 45-day period. If more than 45 days is needed to process the subrecipient’s response, documentation must be included in the grant file providing a reason for the delay in responding. Figure 6 illustrates the monitoring procedure.

If a finding remains uncorrected, one or more remedies will be imposed based on the type and seriousness of the deficiency. Possible remedies include the following:

- Seek changes in personnel duties and responsibilities
- Suspension of grant payments
- Reduction of grant amount
- Termination of grant
- Reimbursement to the state for disallowed costs
- Legal action pursued by the state
Monitoring Priority and Frequency

Monitoring priority and frequency are based on the results of a risk assessment. A representative sample of the subrecipient’s grant files will be reviewed to draw valid conclusions about performance and capacity.

Monthly Subrecipient Oversight

DEO requires subrecipients to demonstrate that progress is being made to complete project activities and expend project funds in a timely fashion pursuant to Activity Work Plans. Completing and submitting Activity Work Plans are requirements of the Subrecipient Grant Agreement executed between DEO and the subrecipient. Subrecipients must also provide DEO with a detailed schedule for completion of activities and an expenditure schedule for grant funds. Subrecipients are also required to submit monthly progress reports to DEO.

DEO Office of Disaster Recovery program staff and/or representatives will use Activity Work Plans, Award Agreement special conditions, subrecipient projected budgets and expenditures, monthly progress reports, and Requests for Funds to monitor subrecipients.

If the subrecipient does not meet project schedules and/or expenditure rates, a justification for the delay and a plan for timely accomplishment shall be submitted to DEO within 21 calendar days of the missed projected milestone. Any project for which the subrecipient has not completed activities and expenditures listed in the Activity Work Plans may be rescinded unless DEO agrees that the subrecipient provided adequate justification for the delay.
Technical Assistance

When deficiencies are identified as a result of the monitoring, technical assistance may be required to assist in the resolution of the deficiency. The objective of technical assistance is to aid the subrecipient in day-to-day compliance with HUD and state regulations and program requirements as the subrecipient administers its individual programs. The nature and extent of technical assistance should be determined at the discretion of the monitor. Some examples of technical assistance may include verbal or written advice, formal training and/or documentation and guidance.

Follow Up

In the event that deficiencies are identified during the monitoring review, follow-up actions should be scheduled to address the progress of the proposed resolution. Timing and frequency of follow-up communication and activities should be determined at the discretion of the monitor and should be based on the severity of the deficiency. If previous deficiencies remain unresolved or uncorrected, these issues will also require follow-up activity. All follow-up actions should be documented and communicated. Target dates should be assigned for resolution of deficiencies.

1.7 DEO Management of Contracts and Grants

The contract management process begins when the agency has posted its Intent to Award and a contract has been executed. The executed contract or grant is transferred to the contract administrator or grant manager.

Responsibilities include:

- Creating and maintaining a contract file.
- Maintaining financial information on all contracts.
- Managing changes to the contract.
- Serving as a liaison between DEO and the Subgrantee or vendor.
- Managing the receipt of commodities and contractual services.
- Conducting cost reconciliation for grants.
- Maintaining a contract management file pursuant to CFO Memo No. 06 (2011-2012).
- Providing written certification that services were performed and completed in accordance with terms and conditions of the contract before requesting payment.

The contract file must contain:

- Original contract/grant
- Amendments
- Renewals
- Bonds
- Insurance
- Performance documentation
- Payment documentation
- Correspondence
- Monitoring plan and documentation
- Deliverables

There may be additional requirements for the contract file. The contract file is the complete history of the contract. It should be organized so that the activities conducted during the contract management process
can be reconstructed and understood by someone who is not familiar with the contract. All contract and grant managers will use the agency’s Contract Management File Checklist to maintain the file.

1.7.1 Allocating Funding to Subrecipients: Application, Award and Contract (Subrecipient Agreement)

Program staff members are responsible for ensuring that the subrecipient grant application and application review checklist are prepared. The draft application will be reviewed by program staff and routed for approval.

After the application form is approved, program staff will be responsible for ensuring it is posted on DEO’s website and for scheduling a pre-application workshop for recipient local governments. DEO will publish notice of the pre-application workshop. A Notice of Funding Availability will also be published in the Florida Administrative Register announcing the due date for submitting applications for funding.

Each potential subrecipient will complete the application package and submit it to the DEO Office of Disaster Recovery in compliance with application instructions.

A panel of three (3) program staff members will perform a completeness review of his or her assigned applications using the application review checklist and verify all state and federal requirements. The application is independently reviewed a second time by supervisory staff. If there are discrepancies in the two evaluations, the supervisory staff and program staff meet to resolve the discrepancies.

If the application meets the initial threshold requirements and all the proposed activities are eligible for funding, the program staff develops a preliminary list of potentially fundable projects.

If the application is incomplete, includes ineligible activities or requires additional information needed for the reviewer, program staff may request additional information via phone contact, email and/or letter. After receiving the revised information, the new information is reviewed and, after all deficiencies are addressed, program staff prepares notification to the subrecipient that they are eligible for a site visit. Program staff, at their discretion, may determine additional necessary information may be provided at the site visit.

If an application is rejected due to an inability to resolve deficiencies in the application, the program staff prepares notification to the applicant that the application is being rejected. The letter will include a notice of the applicant’s right to appeal the decision.

The Bureau of Financial Management will also conduct a review of preliminary evaluations, once funding recommendations are prepared.

For applications that are potentially fundable, the next step is a site visit with the subrecipient to verify information in the application or obtain additional documentation. Program staff drafts a “Coming to Town” letter that includes the items to be discussed during the site visit and forwards the “Coming to Town” letter for the site visit to supervisory staff for review, revision and/or comment. The final approved letter is emailed or mailed to the subrecipient and a copy is maintained in DEO files.

Program staff conducts the site visit by meeting with local government representatives within the county receiving disaster funding to:

a. Review and resolve any application and funding-approval issues;
b. Visit all project sites included in the application to verify information in the application; and
c. Document the resolution for all issues, upon returning from the site visit.
Subrecipients may be provided up to 45 days to provide documentation to clear any issues identified at the Site Visit. Application and review procedures are complete after all site visits have been conducted, all appeals that have been filed have been completed and the final list of subrecipients has been determined and routed to the Bureau of Financial Management.

1.8 Acquisition and Relocation

1.8.1 Overview

Displacing residents from their homes is a serious undertaking that requires advance planning and careful consideration of the law. Undertaken with proper care, the Uniform Relocation Act (URA) process provides valuable guidance and financial assistance to people whose homes are being renovated or acquired. The state and its subrecipients plan to minimize displacement of persons or entities and assist persons or entities displaced as a result of implementing a project with CDBG-DR funds.

It is the responsibility of the DEO Disaster Recovery Subgrantee manager to coordinate with the Subgrantee to ensure that any activities undertaken meet the applicable URA requirements. DEO’s Office of Disaster Recovery will request URA training from HUD and will schedule this training as soon as possible after receiving the disaster recovery funding for distribution.

A useful guide to URA requirements and their applicability is HUD’s “Tenant Assistance, Relocation and Real Property Acquisition Handbook (1378.0)”, located at:


1.8.2 One-for-One Replacement Housing, Relocation, Real Property Acquisition Waivers and Requirements

Activities and projects undertaken with CDBG-DR funds are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 et seq.) (“URA”) and section 104(d) of the Housing and Community Development Act (HCD) Act (42 U.S.C. 5304(d)) (Section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for section 104(d) are at 24 CFR part 42, subpart C. For the purpose of promoting the availability of decent, safe, and sanitary housing, HUD is waiving the following URA and section 104(d) requirements with respect to the use of CDBG-DR funds allocated under Federal Register Notice (FRN) 83 FR 5844 dated February 9, 2018. All language referencing waivers is taken directly from Federal Register Notice (FRN) 83 FR 5844.

Conversion of LMI Units, 24 CFR 42 Requirements

Section 104(d) One-for-One Replacement

One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCD Act and 24 CFR 42.375 are waived in connection with funds allocated under FRN 83 FR 5844, published February 9, 2018 for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement requirements generally apply to demolished or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the grantee’s definition of “not suitable for rehabilitation” from the one-for-one replacement requirements. Before carrying out activities that may be subject to the one-for-one replacement requirements, the grantee must define “not suitable for rehabilitation” in its action plan or in policies/procedures governing these activities. A grantee with questions about the one-for-one
replacement requirements is encouraged to contact the HUD regional relocation specialist responsible for its jurisdiction.

HUD is waiving the section 104(d) one-for-one replacement requirement for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation because it does not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Further, the requirement may discourage grantees from converting or demolishing disaster damaged housing when excessive costs would result from replacing all such units. Disaster-damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety and to economic revitalization. Grantees should reassess post-disaster population and housing needs to determine the appropriate type and amount of lower-income dwelling units to rehabilitate and/or rebuild.

Grantees should note that the demolition and/or disposition of PHA owned public housing units is covered by section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970.

Relocation Assistance
The relocation assistance requirements at section 104(d)(2)(A) of the HCD Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by FRN 83 FR 5844, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to section 104(d), while FEMA funds are not. The URA provides at 49 CFR 24.402(b) that a displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months. By contrast, section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the section 104(d) relocation assistance requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under the Federal Register Notice. If CDBG-DR is matched with any other HUD funding sources, it will be subject to standard URA or Section 104(d) of the Housing and Community Development Act requirements.

Overview
The requirements of 24 CFR 42 are applicable to CDBG-DR funded programs or activities when lower income (i.e., low- or moderate-income [LMI]) housing units, whether occupied or vacant, are demolished or converted to a use other than LMI dwelling units. It is not anticipated that CDBG-DR funding for Hurricane Irma will result in the conversion of LMI dwelling units. In the event that LMI dwelling units are demolished, the state or subrecipient is responsible for replacing the dwelling unit with an equivalent unit in the same neighborhood.

The requirements include:

1. The demolished or converted units must be replaced on a one-for-basis with comparable lower-income dwelling units.
   a. The replacement units must be located in the subgrantees’ jurisdiction and to the extent possible, within the same neighborhood.
b. The replacement units must be of sufficient number and size to house the number of occupants who could have occupied the units that are being demolished or converted. Replacement housing cannot be smaller than the units they are replacing (e.g., replacing two-bedroom units with one-bedroom units), unless it is demonstrated that the smaller units are consistent with the needs assessment in the HUD-approved consolidated plan. For non-entitlement, local governments that do not have a consolidated plan, must make available public information demonstrating that the replacement housing is consistent with the housing needs of lower-income households in its jurisdiction.

c. The units must be in standard condition. Replacement housing can be obtained from substandard units improved to standard condition provided:
   i. No person was displaced from the unit, and
   ii. The unit was vacant for three months before an agreement was executed with the property owner.

d. Units must initially be made available for occupancy at any time during the period beginning one year before the Subgrantee makes public the information demonstrating that replacement housing is not required (see item b above) and ending three years after the completion of the demolition or rehabilitation related to the conversion.

e. The units must remain lower-income dwelling units for at least 10 years from the date of initial occupancy. Replacement housing may include public housing or existing housing receiving Section 8 project-based assistance.

2. Before the Subgrantee enters into a contract to provide funds to demolish or convert lower-income dwelling units, the Subgrantee must make available to the state disaster recovery CDBG program:

   a. A description of the proposed assisted activity.

   b. A map of the location and identify the number of dwelling units by size (number of bedrooms) that will be demolished or converted.

   c. A time schedule for the commencement and completion of the demolition or conversion.

   d. A map of the location and the number of dwelling units by size (number of bedrooms) that will be provided as replacement units. If the information is not available, include the general location on a map, identify the approximate number of dwelling units by size, and provide information as to when the specific location and number of units by size will be submitted and disclosed to the public.

   e. The source of funding and the time schedule for providing the replacement units.

   f. The basis for concluding the replacement units will be available to lower-income households for at least 10 years from the date of initial occupancy.

   g. Information demonstrating that any proposed smaller units used as replacement units are consistent with the needs assessment in the HUD-approved consolidated plan. For non-entitlement, local governments that do not have a consolidated plan, make available to the public information demonstrating that the replacement housing is consistent with the housing needs of lower-income households in its jurisdiction.
3. Replacement housing is not required if the HUD field office determines, based on objective data, that there is an adequate supply of vacant lower-income units in standard condition and available on a non-discriminatory basis within the area. The Subgrantee must submit the required information to the disaster recovery CDBG program staff to support the conclusion the replacement housing is not required. The submitted information must be made public and inform interested parties they have 30 days from the date of submission to provide the state opposing information. If the state agrees with the request, the state must provide its recommendation and supporting information to the field office. Similar requirements must be met if the state intends to demonstrate that replacement housing is not required.

Anyone who disagrees with a displaced person determination or the amount of relocation assistance received can file a written appeal with the Subgrantee. If the appeal is not resolved with the Subgrantee, the individual may submit a written request for the state to review the determination. Similarly, in the instance where the state has directly undertaken an activity that results in an individual that disagrees with the state’s displaced person determination or the amount of relocation assistance provided, a written appeal can be filed with the state. If the appeal is not resolved with the state, the individual may submit a written request for HUD to review the determination. If the full relief is not granted, the individual must be advised, by the Subgrantee or the state, as appropriate, of his or her right to seek judicial review.

**URA Regulation, 49 CFR 24 Requirements**

**Tenant-Based Rental Assistance**

The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee’s replacement housing payment obligation to a displaced tenant by offering rental housing through a tenant based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months. Failure to grant this waiver would impede disaster recovery whenever TBRA program subsidies are available but funds for cash replacement housing payments are limited and such payments are required by the URA to be based on a 42-month term.

**Arm’s Length Voluntary Purchase**

The requirements at 49 CFR 24.101(b)(2)(i) and (ii) are waived to the extent that they apply to an arm’s length voluntary purchase carried out by a person who uses funds allocated under FRN 83 FR 5844 and does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person. Given the often-large-scale acquisition needs of grantees, this waiver is necessary to reduce burdensome administrative requirements following a disaster. Grantees are reminded that tenants occupying real property acquired through voluntary purchase may be eligible for relocation assistance.

**Overview**

Title 49 CFR Part 24 consists of Subparts A through G and applies across the government, including HUD-funded programs such as CDBG, CDBG-DR, and HOME. Handbook 1378 provides an excellent overview of 49 CFR 24 as it applies to HUD programs.
Subpart A establishes the purpose of the regulations are to ensure owners of real property acquired for federal or federally-assisted projects and persons displaced as a result of these projects are treated fairly and consistently. In addition, the purpose of the regulations is to ensure that agencies that implement the regulations do so in a manner that is efficient and cost effective.

**Subpart A: General Requirements**

In addition to the purpose above, this subpart includes:

1. Definitions and acronyms
2. Prohibits a person from receiving URA payments if payments are received under federal, state, or local laws or insurance that are determined to have the same purpose and effect as a URA payment.
3. Requirements that the state must provide assurances that it will comply with the URA if a project is undertaken with federal assistance that will result in acquisition of real property or displacement, is subject to monitoring by HUD, and must take measures to minimize fraud, waste, and mismanagement.
4. Requirements for information to be contained in notices and how those notices are to be written and delivered.
5. Guidelines for administration of jointly-funded projects when two or more federal agencies provide financial assistance to a non-federal agency.
6. Authority for a federal agency to waiver regulations.
7. Lists of other federal laws and regulations with which the implementation of the URA must ensure compliance with.
8. Requirements for record keeping in sufficient detail to demonstrate compliance with the URA requirements, three-year retention, confidentiality of records, and submitting reports every three years or as the URA requires on real property acquisition and displacement activities. NOTE: DEO’s CDBG program requires records retention for six years.

**Subpart B: Real Property Acquisition Requirements**

1. Applicability of acquisition requirements.
2. Basic acquisition policies.
4. Review of appraisals.
5. Acquisition of tenant-owned improvements.
6. Expenses incidental to transfer of title to the Agency.
7. Certain litigation expenses.
8. Donations
Subpart C: General Relocation Requirements

This subpart addresses relocation payments and other relocation assistance to displaced persons as defined in 49 CFR 24.2(a)(9) including:

1. Relocation notices.
2. Availability of comparable replacement dwelling before displacement.
3. Relocation planning, advisory services, and coordination.
4. Eviction for cause.
5. General requirements—claims for relocation payments.
6. Aliens not lawfully present in the United States.
7. Relocation payments not considered as income.

Subparts D and E: Requirements Paying Moving and Related Expenses and Replacement Housing
Subpart F: Mobile homes, Mobile Home Site, and the Partial Acquisition of a Mobile Home Park
Subpart G: Certifications to Allow a State Laws and Regulations to Fulfill URA Requirements

Minimizing Displacement, 24 CFR 570.606 Requirements

Optional Relocation Policies

The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established at the grantee level. Unlike the regular CDBG program, States may carry out disaster recovery activities directly or through subrecipients, but 24 CFR 570.606(d) does not account for this distinction. This waiver makes clear that grantees receiving CDBG–DR funds under FRN 83 FR 5844 may establish optional relocation policies or permit their subrecipients to establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG-DR funds.

Overview

This regulation establishes HUD’s policy that efforts are to be taken to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities undertaken with CDBG funds. It also provides that relocation assistance will be provided to a displaced person based on the requirements in 49 CFR 24. In the discussion that follows, it is important to remember the grantee is the State of Florida CDBG-DR program and the Subgrantee is the local government that receives a sub-grant agreement from the state under the disaster recovery program.

A displaced person is defined in 24 CFR 570.606(2) as “any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, acquisition for any activity assisted under this part”. The criteria for determining if a move is permanent and involuntary includes a permanent move from real property:

1. That occurs after notice from the grantee or sub-grantee to move permanently from the property and the move will occur after the initial official submission to HUD or the grantee, as applicable, for a grant, loan, or loan guarantee funds under the CDBG disaster recovery program.
2. That occurs after a notice by the property owner to move permanently from the property and the move will occur after the date of submission of a request for financial assistance by the property owner or person in control of the site and is later approved for the requested activity.

3. Before the dates established in 1 or 2, above, and the grantee determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

4. After the “initiation of negotiations”, if the displaced person is a tenant-occupant and one of the following apply:
   a. The tenant has not been provided a reasonable opportunity to occupy a unit in the same building or complex at a monthly rent and estimated utility cost prior to the initiation of negotiations or 30 percent of the household’s average monthly gross income. Or
   b. The tenant is required to relocate temporarily but is not offered payment for all reasonable out-of-pocket expenses in connection with the move, including the cost of moving and any increased housing costs or other reasonable conditions and the tenant does not return to the building or complex. OR

5. The tenant is required to move to another unit in the building or complex but is not offered reimbursement for all reasonable out-of-pocket expenses related to the move.

Initiation of negotiation is defined in 24 CFR 570.606(3) to mean: “if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term “initiation of negotiations” means the execution of the grant or loan agreement between the [State or Subgrantee, as applicable] and the person owning or controlling the real property.”

A displaced person does not include:

1. A person evicted for cause.

2. A person who moves into the property after the date of one of the notices described in items 1 and 2 in the displaced person discussion above but did receive a written notice about the expected displacement before occupancy.

3. A person who is not displaced as described in 49 CFR 24.2(g)(2).

4. A person the grantee determines in not displaced as a direct result of the acquisition, rehabilitation, or demolition for the assisted activity and the decision is approved by HUD.

Other provision in 24 CFR 570.606 include:

1. The state or Subgrantee may request HUD to determine whether a person is a displaced person.

2. Compliance with the residential antidisplacement and relocation assistance plan requirements in 24 CFR part 42, subpart B.

3. An opportunity to develop policies to provide optional relocation assistance.

4. A reference that the acquisition of real property is subject to 49 CFR part 24, subpart B.

5. Appeals.

6. Establishes that the state is responsible for ensuring compliance with 24 CFR 570.606.
7. Provides that the cost of assistance may be paid from local public funds, funds provided under 24 CFR 570.606, or from other sources.

8. The state or Subgrantee, as applicable, must maintain records in sufficient detail to demonstrate compliance with 24 CFR 570.606.

1.9 System of Record

The Department’s Subrecipient Enterprise Resource Application (SERA) has been enhanced to provide an integrated System of Record (SoR) to support the Community Development Block Grant Disaster Recovery (CDBG-DR) programs and activities. The SoR provides both a user platform for the case management and administrative functions associated with the processing of Housing recovery applications and a reporting environment for the purposes of management, oversight, and performance reporting of CDBG-DR programs and activities.

1.10 Financial Management

1.10.1 Overview

Financial management and control of CDBG-DR funds is the responsibility of the Grantee/Subrecipient that accepts the funds. This chapter describes the accounting procedures that must be followed to comply with state and federal requirements for financial management. The Grantee and Subrecipient(s) are required to have a financial management system that provides:

- Effective control over and accountability for all funds, property, and other assets.
- An accurate, complete, and timely disclosure of the status and financial results in accordance with specified requirements.
- Records that adequately identify (by activity) the source and use of funds for each CDBG-DR supported project, including the “reasonableness, allowability, and allocability” of costs.
- Procedures to comply with the timely distribution of funds.

The CDBG-DR subrecipient’s responsibility is often divided between the local Program Administrative office and the Financial Management office. The Program Administrative office’s responsibilities include:

- Review and approval of all transactions involving CDBG-DR and CDBG-MIT funds before they are processed by the subrecipient contract manager.
- Approval of purchase orders and contracts to be paid with CDBG-DR or CDBG-MIT funds.
- Receipt and approval of invoices.
- Assurance that transactions involving CDBG-DR and CDBG-MIT funds are properly coded.
- Review and approval of requisitions for payments involving CDBG-DR and CDBG-MIT funds.

The Financial Management office is responsible for maintaining the official CDBG-DR and CDBG-MIT financial records and for posting account transactions. Official records may be maintained in either an automated or a manual format. The Financial Management office’s responsibilities may include such things as:

- Control of accounting documents once they are approved for processing by the program department.
• Preparation of financial reports (based on accounting records).
• Preparation of Requests for Funds (subject to review by the administration office).
• Entry of transactions into the accounting system.
• Assisting the local government’s auditor in preparing an annual financial audit.

The federal requirements that are applicable to financial management are located in 2 CFR 200, and should be reviewed for additional and more detailed information, including special circumstances.

DEO Office of Disaster Recovery staff uses the “Financial Management I Monitoring Checklist: System Review” and the “Financial Management II Monitoring Checklist: Transaction Testing Checklist” during sub recipient monitoring visits, which are forms based on HUD’s monitoring checklists The first financial management checklist is used during the initial pre-award on-site monitoring visit to review the subrecipient’s internal controls, separation of duties, the accounting system used by the recipient, procedures for determining allowable costs, and housing escrow accounts with staff from the local government. The Transaction Testing checklist is usually used at the second on-site monitoring visit to review the subrecipient’s accounting records and check a sampling of invoices, contracts, distributions, and bank statements to ensure that the local government is complying with federal regulations and state laws.

Further information about DEO’s Financial Management processes are available in the following resources:

• Cost Allocation Plan
• Indirect Cost Plan
• Preparation of Grant Application Package for New Grant Award
• Receipt of new grant award
• Grant revenue recording
• Maintenance of cost allocation plan
• Inactivation of grants in FACTS
• Monthly Analysis of Grant Expenditures
• Adjustments to FLAIR
• Review of Cost Pool Reports
• Review of Time Activity Report
• Review of SERA Accruals and Encumbrances
• DRGR Voucher Creation
• DRGR Voucher Creation 2
• SAM
• Establish Contract Number
• FACTS Reconciliation
• FACTS Upload Process
• FACTS tracking Contracts and Amendments
• RFF Payment Process
• Request for Funds Tracking Log Procedure
• Audit Confirmations
• Processing Audits
• Indirect Cost Plan Development
• Facilities Rate Plan
• DRGR QPR
• Processing Quarterly SWCAP
• Processing Quarterly Depreciation
• SEFA
• CMIA
• FFATA Reporting
• Monthly Indirect Transactions
1.10.2 Internal Controls

Internal controls consist of policies and procedures, job responsibilities, qualified personnel, and records management that are designed to safeguard assets such as cash, property and other assets. DEO has outlined internal controls in the Implementation Plan submitted to HUD and will implement a system of internal controls consistent with its agency policies and procedures. DEO’s internal controls meet the Implementation Plan and consist of the following minimum requirements:

- A single individual must not be allowed to exercise complete control over all phases of any significant transaction. This means, for example, that the same person cannot purchase materials, receive materials, authorize payment and write the check to pay for materials.
- Record keeping must be separate from operations and handling and custody of assets.
- Monthly reconciliation and verification of cash balances with bank statements must be made by employees who do not handle or record cash or sign checks.
- Actual lines of responsibility must be clearly established, and a single person must be identified to assume responsibility for management oversight of the entire financial management system.
- The person who prepares payrolls should not handle related paychecks. If signature stamps are used, they should not be under the control of the same individual who retains blank checks.

An adequate system of internal controls, with specific program and financial management responsibilities, will enable recipients to maintain the books and records necessary to comply with Florida law and federal requirements. Where possible, accounting policies and procedures of the local government should mirror the requirements of the Office of the Auditor General.

1.10.3 Request for Funds (RFF)/Payment Processing

The purpose of the cash draw process is to ensure cash availability as expenditures are recorded for the federal grants assigned to the programs for which DEO has direct oversight. Funds are not invested with the State Treasury, and no interest is earned by DEO. See Finance & Accounting Procedure CM-046 IDIS-DRGR Cash Drawdown Voucher-Approval & FLAIR Update Procedure – HUD CDBG-DR Grant Activity.

1. Local Government uploads supporting documentation and submits the payment request in the SERA system.
2. Contract manager prints out coversheets and any backup documentation once they have reviewed and approved the payment in SERA.
3. A hard copy of the payment information is routed to the supervisor in the program area for approval and signature. The supervisor also approves in SERA. Then the payment package is routed to Bureau of Financial Management (BFM).
4. The RFF packet is logged in and date stamped upon receipt in BFM.
5. The RFF packet is distributed to BFM grant manager, who reviews the total of all RFF’s for the project and evaluates if funds are still sufficient. (If not, the packet is returned to the program area).

6. The grant manager initials and dates the bottom of the RFF form.

7. The packet is then given to the grant accountant for invoice generation in the DRGR system. Once generated, the RFF packet is then provided to the SERA staff.

8. The SERA staff then sends the payment over to the Bureau of Budget Management for upload into FLAIR.

9. The Bureau of Budget Management then submits the draw requesting DRGR.

1.10.4 Subrecipient Financial Management

The information provided in this policy and procedures manual is provided as a general guide. Each subrecipient will have their own financial management system which must adhere to federal requirements as outlined in 2 CFR Part 200.

1.11 Financial System

1.11.1 Financial Records

In the simplest terms, CDBG-DR financial transactions involve receiving cash (such as contract funds from DEO’s CDBG-DR Program or Program income) and spending cash for eligible activities. Every CDBG-DR financial transaction must be recorded in the accounting records of DEO and, if applicable, the subrecipient, as soon as possible. To do this, there must be appropriate source documents, files and accounting records.

Finance and accounting for the Program is governed by the State of Florida Finance and Accounting operating procedures and is managed by DEO’s Division of Finance and Administration.

Source Documents

Source documents should provide all details of a transaction. The information contained in source documents is necessary for accounting purposes and is recorded in one of the books of original entry before being filed. A variety of source documents and records are needed to properly account for CDBG-DR transactions. Supporting documentation is necessary to show that the costs charged against CDBG-DR funds were incurred during the effective period of the subrecipient’s agreement with the state, were paid out (or properly accrued), were expended on allowable items, and had been approved by the responsible official(s) in the subrecipient’s organization. These documents include:

- **Purchase Orders** may be prepared in the same format as other purchase orders, except that appropriate CDBG-DR program classification data should be coded on the document. Purchase orders should be approved by the subrecipient’s program office. After approval, one copy should be retained by the program administrative office to verify receipt of goods, and the remaining copies forwarded to the DEO finance officer.

- **Contracts** should be filed in the CDBG-DR program administrative office. Each contract must identify the activity, program, or project to be charged. If multiple contracts are issued for each project, or if non-contractual charges are recorded against a project, a separate record must be maintained for each contract to provide readily available information on contract balances. There should be a separate obligation for each contract relating to the same activity to prevent overpayment of any contract. In addition, a Cash Control Register should be maintained to provide summary information for all CDBG-DR contracts.
• **Vendor Invoices** to be paid with CDBG-DR funds should be referred to the program administrative office, compared to the purchase order, checked for appropriateness and accuracy, approved, and coded as necessary. Approved vendor invoices and appropriate supporting documents may then be forwarded to the finance officer for payment.

• **Time Distribution Sheets** completed by all employees paid from CDBG-DR funds should be included. Employees must complete time sheets that indicate the number of hours worked on CDBG-DR projects, other grant projects, local government activities, and job duties. Time sheets are then referred to the finance department so that charges to the correct programs and projects can be computed and properly charged. Payroll expenses can only be paid from CDBG-DR funds based on time and attendance records.

• **CDBG Financial Files** which demonstrate the program’s financial soundness and regulatory compliance must be included. In order to maintain an orderly record of CDBG-DR transactions that will withstand the scrutiny of an audit, there must be a logical system for maintaining financial files. Two broad categories of files are recommended: process files and permanent files.

• **Space and Utilities**: Space costs must be supported by documentation such as rental or lease agreements. Utility costs will be supported by bills from the utility companies. For subrecipients, both types of expenses will be supported by canceled checks. If the cost of space or utilities is split between the CDBG-DR program and other sources, there must be a reasonable method in place to allocate the charges fairly among the sources.

• **Supplies** documentation would include purchase orders or requisition forms initiated by an authorized representative of the subrecipient, an invoice from the vendor (which has been signed-off by the subrecipient to indicate the goods were received), the canceled check from the vendor demonstrating payment was made, and information regarding where the supplies are being stored and for what cost objective(s) they are being used.

Administrative funds are not available to subrecipients under this program. Therefore, all overhead costs must be allocated to projects. ODR will provide guidance on the exact procedure for allocating costs.

**Process Files**
Process files are working files that are used until source documents are processed and posted. They include the following:

• **Open Purchase Order File.** All purchase orders, which have been issued but not yet filled by vendors, should be filed sequentially by purchase order number. When the goods are delivered, the invoice received, and all the appropriate approvals obtained, the purchase order file should be removed and filed with related invoices and the receiving report in the pending payments file. This file contains encumbrances against the project budget.

• **Pending Payments File.** All source documents that will generate a cash disbursement are stored in the pending payments file and are organized by due date. If a discount is offered for early payment, early payment should be made. A schedule of bills payable from approved invoices, and the account to be charged, is also kept in this file.

• **Pending Receipt File.** This file contains copies of outstanding bills and requests for funds submitted to the CDBG-DR program that have not yet been recorded in the Cash Receipts Journal or posted to the CDBG-DR Cash Control Register.

• **Personnel Payroll File.** This file contains a record for each employee who works on CDBG-DR activities and includes the rate at which the employee’s salary can be charged to the CDBG-DR or
program. Time sheets showing the amount of time each employee spends on CDBG-DR activities must be kept on file. This file is maintained in addition to the local government’s official personnel records.

Permanent Files
These files must be maintained for all source documents and other records once they have been processed or posted to books of original entry. Documents removed from process files are placed in the permanent files after all processing is complete (i.e., placing bank verifications or CDBG-DR contract payment transactions in a CDBG-DR Receipt File).

Purchase requisitions, purchase orders, and related invoices are filed together; contracts, related invoices, payment vouchers, and check copies are filed together; grant fund receipt documentation is filed together. The permanent files contain the documents necessary for undertaking an audit of the program. A single individual should be assigned responsibility for file maintenance.

CDBG-DR Accounting Records
CDBG-DR records are used to accumulate CDBG-DR accounting information for financial reporting. The required CDBG-DR accounting records are listed and discussed below.

- **Cash Receipts Journal.** All receipts of cash that are deposited into the CDBG-DR account(s) are recorded in the cash receipts journal. Receipts may include contract payments to the subrecipient from the CDBG-DR programs, receipts from the disposition of land, program income, and any other cash received. The general procedure for using this journal is to record every CDBG-DR receipt by date in the order that it was received, indicate the source of the funds received, an account or activity line item to be credited, a receipt number, and date. A notation regarding final disposition for all funds received must also be included in the journal.

- **Cash Disbursements Journal.** All encumbrances and expenditures for program costs are entered into the cash disbursements journal. Encumbrance is a term used in government accounting that defines a reservation of funds against an appropriation for a future expenditure. An encumbrance is not necessarily an obligation; it is a commitment of funds. While encumbrances are not normally recorded in a disbursements journal, the practice is recommended for the CDBG-DR program to conform to the accrual basis required for reporting information to the CDBG-DR program. When goods or services are received by the local government, an obligation has been incurred. If the local government uses a warrant or other schedule for bills payable, it need not maintain a separate cash disbursements journal, but must maintain copies of individual warrants.

- **Property Register.** This is a listing of all property acquired in part or whole using CDBG-DR funds. It must be maintained to comply with state and federal standards relating to the acquisition, control, and disposition of real and personal property. Examples of property which would be recorded include both real property and office equipment.

- **Detailed Activity Ledger.** A subrecipient may have several ongoing projects (e.g., Smith Street sewer line installation and Jones Street repaving). To maintain accounting control, a detailed project ledger must be established for each project. All financial transactions relating to a particular project should be recorded in this ledger.

Cash Control Register
In addition to the above control procedures, CDBG-DR financial reporting and control is enhanced by the use of the CDBG-DR Cash Control Register. This register is used to document and control the following:
• State of Florida funds received
• Requests for payment (drawdowns on grant reservation)
• Balance of CDBG-DR cash on hand
• Balance of CDBG-DR grant funds available by line item
• Collections, refunds, and miscellaneous receipts
• Disbursements

The CDBG-DR Cash Control registers summarize the status of CDBG-DR cash on hand. It should be reviewed daily to determine compliance with CDBG-DR rules and regulations relating to cash on hand. The register also serves as a cross-reference to the journal accounts such as cash receipts, disbursements, and the detailed project ledger.

Accounting for Cash Receipts
Cash receipts for the CDBG-DR program come primarily from the state as contract payments based on Requests for Funds. Local sources of cash receipts may include loan repayments, payment for services provided, rent from CDBG-DR property, and other miscellaneous receipts. Other sources may include federal or state agencies participating in project funding such as Rural Development. All cash receipts must be logged in the Cash Receipts Journal, CDBG-DR Cash Control Register, and detailed Project Ledger.

Accounting for Cash Disbursements
The local government should establish specific days on which it will disburse CDBG-DR funds. The frequency of these payment dates depends on transaction volumes and staff capacity. One payment date every one or two weeks may be sufficient. To allow time for orderly processing and requisitioning of CDBG-DR contract funds, cut-off dates for receipt of invoices to be paid the next pay date should be established. All cash disbursements must be supported by source documentation, such as invoices, time sheets, and payroll vouchers, which fully explain the reason for the disbursement.

Contractor payments should be made only after determining that the contractor is performing in accordance with contract provisions and time schedules and that any problems identified by the subrecipient during compliance monitoring or inspections have been corrected. To facilitate adequate contract management, a CDBG contract management control card should be maintained. All cash disbursements must be entered in the CDBG Cash Disbursements Journal, the CDBG Cash Control Register, and Detailed Activity Ledger.

Allowable Costs
The standards for determining the reasonableness, allowability, and allocability of costs incurred as part of CDBG-DR financed activities are found in 2 CFR 200.403. According to general guidelines contained in 2 CFR 200.403, a cost is allowable if:

1. The expenditure is necessary, reasonable, and directly related to the grant.
2. The cost conforms with any limitations or exclusions established in 24 CFR 200 Subpart E (Cost Principles) or the CDBG-DR award.
3. The expenditure is consistent with policies and procedures that apply uniformly to both federally-funded and other activities of the state or the subrecipient.
4. The cost is accorded equal treatment. For example, a direct cost cannot be assigned if in other similar circumstances the cost was allocated as an indirect cost.
5. It is determined the cost is in accordance with generally accepted accounting principles, except for states and local governments and Indian tribes only, as otherwise provided for in this part [2 CFR 200.416 and 2 CFR 200.417, cost allocation plans and indirect cost proposals; 2 CFR 200.417, Interagency service].

6. The cost is not used to meet cost sharing or matching requirements of any federally-funded program. See also 2 CFR 200.306(b) regarding cost sharing and matching.


For more information about allowable costs see 24 CFR 570 and the HUD’s State Community Development Block Grant Program: Guide to National Objectives and Eligible Activities, December 2014.

**Reasonable Costs**

Reasonable costs are described in 2 CFR 200.404: “A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.” In determining reasonableness of a given cost, consideration must be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award.
2. The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the federal award.
3. Market prices for comparable goods or services for the geographic area.
4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-federal entity its employees, where applicable its students or membership, the public at large, and the federal government.
5. Whether the non-federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.”

**Allocable Costs**

Allocable costs are described in 2 CFR 200.405: “A cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

1. Is incurred specifically for the federal award;
2. Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
3. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the federal award in accordance with the principles in this subpart [2 CFR 200, Subpart E, Cost Principles].”

**Program Income**

Program income means gross income received by a state, a unit of general local government or a subrecipient of a unit of general local government that was generated from the use of CDBG-DR funds that exceed $35,000 received in a single year [24 CFR 570.489(e2)]. Examples of program income include:
1. Proceeds from the sale or long-term lease of real property purchased or improved with CDBG funds.

2. Proceeds from the disposition of equipment purchased with CDBG funds.

3. Gross income from the use or rental of property acquired by the subrecipient or its subrecipient with CDBG funds, less the costs incidental to the generation of such income.

4. Gross income from the use or rental of property owned by the subrecipient or other entity that was constructed or improved with CDBG funds, less any costs incidental to the generation of such income.

5. Payments of principal and interest on loans made using CDBG funds.

6. Proceeds from the sale of loans made with CDBG funds.

7. Proceeds from the sale of obligations secured by loans made with CDBG funds.

8. Interest earned on program income, pending the disposition of such program income.

9. Funds collected through special assessments made against nonresidential properties owned and occupied by households not of low and moderate income, where such assessments are used to recover all or part of the CDBG portion of a public improvement.

Program income received by a subrecipient must be recorded in the subrecipient’s financial records system and must be recorded in the same activity line item as generated the program income. Program income must be spent first on subsequent expenditures, remaining program income after closeout is returned to the Office of Disaster Recovery.

1.11.2 Contract Funding Process

Prior to the transmission of contract funds, the subrecipient must complete and submit to the CDBG-DR program a SERA Access Authorization Form. This form is used to inform the Office of Disaster Recovery of the names of persons permitted to sign Requests for Funds. Requests for Funds forms must be signed by one or more of the authorized individuals identified on the form. The Signature Authorization must identify the financial institution, its mailing address, telephone number, and the account number to which CDBG-DR funds should be transmitted.

There cannot be any erasures or corrections on the SERA Access Authorization Form. Three copies, each having original signatures, must be submitted to the Office of Disaster Recovery. Should it be necessary to change or update information on the Signature Authorization Form, the same instructions apply.

The local government must use a separate NON-INTEREST BEARING bank account for CDBG-DR funds. Any interest paid on the account must be remitted to the Office of Disaster Recovery by the local government for return to the U.S. Treasury.

A subrecipient cannot expend or obligate more than $15,000 for administration, prior to receiving a Release of Funds from the CDBG-DR program. The release will clearly state that the environmental conditions have been removed and funds have been released for expenditure. Further, a subrecipient cannot draw funds for any activity that has been conditioned in the contract agreement until a Removal of Special Conditions is granted by the Office of Disaster Recovery. Subrecipients should check their contract award agreement for special conditions prior to obligating or requesting funds.

1.11.3 Record Keeping

In the simplest terms, CDBG financial transactions involve receiving cash (such as contract funds from the Office of Disaster Recovery’s CDBG-DR program or program income) and spending cash for eligible activities.
Every CDBG-DR financial transaction must be recorded in the accounting records as soon as possible. To do this, there must be appropriate source documents, files, and accounting records. Records must be maintained for three years from the date of the receipt of the audit for the year in which the grant was close out (2 CFR 200.333).

**Common Deficiencies**

The most common record keeping deficiencies that are encountered during program audits are:

- Inadequate financial records.
- Inadequate source documentation.
- Inadequate procedures for verification of cost allowability.
- Inadequate procedures for certifying operating agencies’ financial systems.
- Delays between drawdown and expenditure of funds.
- Inadequate process to prevent overpayment of an activity budget line item.
- Inadequate accounting of program income.
- Inadequate or untimely financial reports.

### 1.11.4 Subrogation

Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, an applicant must enter into a subrogation agreement at the time of or prior to executing a grant agreement where the funding agency (DEO) obtains the right to collect any additional disaster recovery or insurance payouts the applicant receives for Irma damages after the applicant has entered into a grant agreement for Program benefits.

All duplicative funding received must be remitted to or accounted for by the Program, regardless of when it is received by the applicant. If applicants receive additional funding for the same purpose as the Housing Repair and Replacement Program (HRRP) award (permanent repair to storm damaged home) even after the HRRP award is executed or construction is completed, the applicant is required to report the additional funding to the Program.

By accepting the award, applicants agree that they will report any duplicative funds to the Program whenever received. Upon receipt of a report that additional benefits have been received, the Program will recalculate the applicant’s award and provide instructions whether the applicant’s award will be reduced by such amount, or whether the applicant must remit such amounts to the Program as reimbursement (when additional assistance received after Program disbursements). Each applicant will execute and be bound by a subrogation agreement.

**Subrogation Agreement**

All respective CDBG-DR awardees will be required to enter into a “Subrogation Agreement” with the Florida Department of Economic Opportunity in order to provide for the repayment of CDBG-DR funds.

The CDBG-DR Subrogation Agreement will read as follows:

In consideration of Subrecipient’s receipt of funds or the commitment by DEO to evaluate Subrecipient’s application for the receipt of funds (collectively, the “Grant Proceeds”) under the DEO Community Development Block Grant-Disaster Recovery Program (the “CDBG-DR Program”) administered by DEO,
Subrecipient hereby assigns to DEO all of Subrecipient’s future rights to reimbursement and all payments received from any grant, subsidized loan, lawsuit or insurance policies of any type or coverage or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency (“FEMA”) or the Small Business Administration (“SBA”) (singularly, a “Disaster Program” and collectively, the “Disaster Programs”) that was the basis of the calculation of Grant Proceeds paid or to be paid to Subrecipient under the CDBG-DR Program and that are determined in the sole discretion of DEO to be a duplication of benefits (“DOB”) as provided in this Agreement.

The proceeds or payments referred to in the preceding paragraph, whether they are from insurance, FEMA or the SBA or any other source, and whether or not such amounts are a DOB, shall be referred to herein as “Proceeds,” and any Proceeds that are a DOB shall be referred to herein as “DOB Proceeds.” Upon receiving any Proceeds, Subrecipient agrees to immediately notify DEO who will determine in its sole discretion if such additional amounts constitute a DOB. If some or all of the Proceeds are determined to be a DOB, the portion that is a DOB shall be paid to DEO, to be retained and/or disbursed as provided in this Agreement. The amount of DOB determined to be paid to DEO shall not exceed the amount received from the CDBG-DR Program.

Subrecipient agrees to assist and cooperate with DEO to pursue any of the claims Subrecipient has against the insurers for reimbursement of DOB Proceeds under any such policies. Subrecipient’s assistance and cooperation shall include but shall not be limited to allowing suit to be brought in Subrecipient’s name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing record and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by DEO. Subrecipient further agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Program.

If requested by DEO, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better assign to DEO, to the extent of the Grant Proceeds paid to Subrecipient under the CDBG-DR Program, the Policies, any amounts received under the Disaster Programs that are DOB Proceeds and/or any rights thereunder, and to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by DEO to consummate and make effective the purposes of this Agreement.

Subrecipient explicitly allows DEO to request of any company with which Subrecipient held insurance policies, or FEMA or the SBA or any other entity from which Subrecipient has applied for or is receiving Proceeds, any non-public or confidential information determined to be reasonably necessary by DEO to monitor/enforce its interest in the rights assigned to it under this Agreement and give Subrecipient’s consent to such company to release said information to DEO.

If Subrecipient (or any lender to which DOB Proceeds are payable to such lender, to the extent permitted by superior loan documents) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to DEO, if Subrecipient received Grant Proceeds under the CDBG-DR Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient’s award.

In the event that the Subrecipient receives or is scheduled to receive any subsequent Proceeds, Subrecipient shall pay such subsequent Proceeds directly to DEO, and DEO will determine the amount, if any, of such subsequent Proceeds that are DOB Proceeds (“Subsequent DOB Proceeds”). Subsequent Proceeds in excess of Subsequent DOB Proceeds shall be returned to the Subrecipient. Subsequent DOB Proceeds shall be disbursed as follows:
1. If the Subrecipient has received full payment of the Grant Proceeds, any Subsequent DOB Proceeds shall be retained by DEO.

2. If the Subrecipient has received no payment of the Grant Proceeds, any Subsequent DOB Proceeds shall be used by DEO to reduce payments of the Grant Proceeds to the Subrecipient, and all Subsequent DOB Proceeds shall be returned to the Subrecipient.

3. If the Subrecipient has received a portion of the Grant Proceeds, any Subsequent DOB Proceeds shall be used, retained and/or disbursed in the following order: (A) Subsequent DOB Proceeds shall first be used to reduce the remaining payments of the Grant Proceeds, and Subsequent DOB Proceeds in such amount shall be returned to the Subrecipient; and (B) any remaining Subsequent DOB Proceeds shall be retained by DEO.

4. If DEO makes the determination that the Subrecipient does not qualify to participate in the CDBG-DR Program or the Subrecipient determines not to participate in the CDBG-DR Program, the Subsequent DOB Proceeds shall be returned to the Subrecipient, and this Agreement shall terminate.

Once DEO has recovered an amount equal to the Grant Proceeds paid to Subrecipient, DEO will reassign to Subrecipient any rights assigned to DEO pursuant to this Agreement.

Subrecipient represents that all statements and representations made by Subrecipient regarding Proceeds received by Subrecipient shall be true and correct as of the date of the signing of this Agreement.

**Warning:** Any person who intentionally or knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

The person executing this Agreement on behalf of the Subrecipient hereby represents that he/she has received, read, and understands this notice of penalties for making a false claim or statement regarding Proceeds received by Subrecipient.

In any proceeding to enforce this Agreement, DEO shall be entitled to recover all costs of enforcement, including actual attorney’s fees.

### 1.11.5 Recapture

An applicant may be required to repay all, or a portion of the funds received. The reasons for recapture include but are not limited to the following:

- An applicant is determined to have provided false or misleading information to the Program;
- An applicant withdraws from the Program prior to completion of the project;
- An applicant does not complete construction; and / or
- An applicant does not report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other duplication of benefits received after calculation of the award.
- An applicant voluntarily or involuntarily relinquishes ownership of the property prior to the successful completion of a final program inspection.

### 1.12 Labor Standards and the Davis-Bacon Act

The Davis-Bacon Act (DBA) applies to all construction contracts greater than $2,000, unless the program’s authorizing legislation contains exceptions. It requires that all workers or mechanics working on projects covered by the act be paid minimum hourly wages and fringe benefits according to the wage decision(s)
applicable to that contract. If any portion of a contract requires DBA, then all work performed under the contract is subject to DBA. In the CDBG-DR program, only rehabilitation of residential property containing less than eight housing units is exempt from DBA. Work done by a local government’s employees (force account) is not subject to DBA.

Additionally, contractors must comply with the Contract Hours and Safety Standards Act (CWHSSA) and the Copeland Anti-Kickback Act (Copeland Act). CWHSSA requires that, for any project in which the prime contract exceeds $100,000, workers be paid one-and-one-half times their normal hourly rate for any hours worked in excess of 40 hours weekly, based on a work week of seven (7) consecutive days. The Copeland Act prohibits any person from inducing a worker on a federally funded project to give up any part of the compensation to which the worker is entitled. No payroll deductions are permitted that are not specifically listed in the Copeland Act unless the contractor has obtained written permission from the employee as specified in 29 CFR 3.5 for otherwise permissible payroll deductions.

Davis Bacon does not apply to single-family scattered site rehabilitation and reconstruction programs.

1.12 Construction Categories

Under DBA, construction work is categorized as residential, building, heavy or highway work. Wage decisions are based on the category (or categories) of work to be performed. Each construction contract to which DBA applies must contain the wage decision(s) for the appropriate category (or categories) of work. A separate wage decision for a category is not required if the value of work (as bid) in that category does not exceed 20 percent of the total “as bid” construction cost. The actual bid cost, not the estimated project cost, determines whether a separate wage decision is used. If more than one wage decision is used, payrolls must reflect which wage decision is applicable unless all workers are paid at least the highest hourly rate possible under either wage decision.

1.12.2 Wage Decisions

After determining the proper labor categories, the local government should request a wage decision by submitting a wage decision request form to the DEO disaster recovery grant manager. A copy of this form is available on the DEO disaster recovery website. Since wage decisions are subject to modification, the wage decision request should not be submitted earlier than 45 days prior to advertisement of the project.

If more than one wage decision is used, bidding instructions must identify which portions of the work are covered by each wage decision. It is not the responsibility of the contractor to make this determination. Lack of guidance or improper guidance may result in the local government being liable for any wage restitution.

The DEO disaster recovery program tracks wage decisions through the bidding and contract award phase to determine if a modification of a wage decision occurs. DEO will advise the local government if a modified wage decision may be required. The applicability of a wage decision modification is dependent on the bid opening date and the date the local government accepts the bid (i.e., the date the local government awarded the bid). Ten days prior to bid opening, the subrecipient must check to determine if the wage decision has been modified. If it has been modified, all potential bidders must be notified. If a contract has been awarded but construction has not been initiated within 90 days of the award, the subrecipient must determine if any modifications have been issued. If so, the contractor must be notified and adhere to the modified wage decisions.

The Bidding Information and Contractor Eligibility form advises DEO of the bid date for review of wage decision validity. A contract should not be awarded prior to DEO’s verification that the contractor is eligible to participate in a federally funded contract. After contract execution and issuance of a notice to proceed, the local government should submit a copy of the notice and the minutes from the meeting at which the
contract was awarded. A copy of the Bidding Information and Contractor Eligibility form is included on the DEO disaster recovery website.

1.12.3 Monitoring Construction Activities and Labor Standards

During project construction, the local government must monitor compliance with DBA, CWHSSA and the Copeland Act by reviewing contractor and subcontractor payrolls. DBA applies to laborers and mechanics working on any project when the primary contract exceeds $2,000. It does not apply to supervisory staff if 80 percent of their time during the work week is spent performing supervisory duties. Supervisory personnel who fall below the 80 percent threshold are subject to DBA for non-supervisory hours worked during that particular work week.

“Self-employed owners” are not exempt from DBA and must submit a payroll report reflecting the hours worked on the project, the type of work performed and that they are the owner of their business. Hourly rates need not be reported if this information is not known, but the amount of the subcontract should be indicated.

Supply contracts are not subject to DBA. A supply contract is one that furnishes equipment, materials or supplies, with no (or only “incidental”) construction activities performed at the project site. Construction is “incidental” if it does not exceed 13 percent of the contract or subcontract price. There must be documentation to support this percentage.

During project construction, the local government must also conduct interviews with the contractors’ and subcontractors’ workers to verify the accuracy of payroll information. Interviews must cover a representative sample of each classification used by the contractor/subcontractor. On-site interviews should be conducted whenever possible, but mail interviews are acceptable if on-site interviews cannot be performed. Discrepancies between information gained in the interviews and payroll data must be resolved in a timely manner. Additionally, interviews and resolution of discrepancies should be conducted in such a manner as to shield the identity of the worker(s).

If a contractor or subcontractor is required to pay a cumulative total of more than $100 in back wages during the contract period, the local government must submit an enforcement report to the Office of Disaster Recovery. Any corrective actions by a contractor must be documented in the project files. For back wages over $10, there must be a copy of the front of the wage restitution check and a signed acknowledgment from the worker stating the amount of the check and that it was received. If there are overtime violations, the local government must assess the contractor liquidated damages of $10 per day/per worker for those who should have received overtime. Restitution is also required. The contractor may request waiver of liquidated damages through DEO.

DEO will monitor compliance with labor standards until the project is complete. A Labor Standards Monitoring Checklist is available on the DEO Disaster Recovery website. During monitoring visits, special attention will be given to the following:

- Ensuring payroll information is being submitted and reviewed in a timely manner.
- Ensuring all labor classifications are included in the wage decision or have been conformed and/or added with DEO approval.
- Ensuring trainee and apprentice labor classifications are applied in accordance with regulations for those titles.
- The helper, trainee or apprentice program must be certified by the Florida Office of Apprenticeship and Training. If trainees or apprentices are used, the contractor must provide a copy of the state certification to the subrecipient and the DEO disaster recovery grant manager.
• Ensuring signed authorizations are on file for any employees with “other” payroll deductions.

• Ensuring interviews have been conducted with the prime contractors and any subcontractor’s employees. HUD Form 11 can be used for interviews.

In the case of multiple wage decisions, investigating payrolls to ensure that they distinguish which was applied to each worker.

• Posting the wage-rate decision in a conspicuous location at the project site and posting a copy of “Notice to All Employees Working on Federal or Federally Financed Construction Projects” (a copy of this poster and other required posters are available at http://www.dol.gov/whd/regs/compliance/posters/fedprojc.pdf).

Typical findings from past monitoring activities include the following:

• Inappropriate use of the apprentice and trainee classifications;

• Use of a classification that is not in the wage decision or is vague (i.e., “operator”);

• Failure to obtain subcontractor payrolls;

• Lack of signed authorizations from workers with “other” deductions;

• Lack of interviews, including not covering enough classifications or not interviewing subcontractors;

• “Salaried” workers covered by DBA not treated as hourly workers for regular and overtime purposes;

• Using one wage decision when two are required based on the type of work in each category; and

• Payrolls failing to reflect which wage decision(s) is applicable to which worker, particularly if two wage decisions are used, and workers are not paid the highest hourly rate possible for that classification.

1.12.4 Restitution

Prime contractors must be notified in writing of any underpayments found during the review of payrolls or other reviews. The prime contractor has 30 days to correct the under payments and make restitution. Wage restitution must be for the full amount due, less any permissible and authorized deductions. The employer is required to report the restitution on a corrected certified payroll. A signed Statement of Compliance must be attached to the corrected payroll signed by the employee that has received the restitution.

In the event that restitution is due to an employee(s) who cannot be located, the prime contractor is required to place the amount of restitution due in an escrow account at the end of the project. The subrecipient should continue to attempt to locate the employee(s) for three years after the completion of the project. After three years, the amount of restitution still available in the escrow account should be sent to HUD.

1.12.5 Semi-annual Reports

Every six months, the DEO CDBG-DR program must report to HUD on all covered contracts awarded and on all enforcement actions taken. The Semi-Annual Report form (HUD-4710) and instructions for the form (HUD-4710i) are available on HUD’s website at https://www.hudexchange.info/resources/documents/HUD-Form-4710-Semi-Annual-Labor-Standards-Enforcement-Report.pdf

Additional labor standards information can be found in these HUD publications:

1.12.6 The Wage Request Process

This process may begin before or after the environmental review of the project.

- The subrecipient submits the Wage Decision Request(s) to DEO.
- Program staff gets the wage decision(s) from the U.S. Department of Labor website.
- Program staff prepares and signs the letter to the chief elected official informing the subrecipient of the wage decision(s).
- Program staff routes the wage decision letter to supervisory staff for their review and approval.
- After approval of the letter, program staff provide a copy for the grant file and mails the original letter to the subrecipient.
- The program staff enters a comment in the SERA system acknowledging the approval of the wage decision and includes the date the letter was mailed.
- If the wage decision changes, the program staff sends a letter to the subrecipient notifying the subrecipient of the change in the wage decision.
- The subrecipient must notify all potential bidders of a wage determination that occurs 10 days prior to bid opening. If a contract has been awarded but construction has not been initiated within 90 days of the award, the contractor must be notified and adhere to the modified wage decisions.

1.13 Civil Rights

Recipients of CDBG-DR funds must comply with federal and state civil rights, fair housing, equal opportunity and equal employment opportunity regulations and requirements. These laws are designed to ensure that members of protected groups are treated fairly by avoiding discrimination, providing equal opportunity and taking affirmative action to correct past discrimination based on race, color, religion, gender, national origin, age, sex/gender, disability and/or family status.

By signing the assurances in the Disaster Recovery CDBG application and the sub-grant award agreement, the Subgrantee and/or subrecipient agrees to:

- Comply with civil rights laws and conduct the Disaster Recovery CDBG program in a non-discriminatory manner.
- Take affirmative action, where discrimination has been found in the past, to overcome its effects.
- Ensure equal opportunity in employment and contracting opportunities connected with the Disaster Recovery CDBG program.
- Maximize choice within the community’s total housing supply; lessen racial, ethnic, and economic concentrations of housing; and administer the Disaster Recovery CDBG program in a manner that affirmatively furthers fair housing.
Develop/maintain records of efforts undertaken to ensure fair housing and conduct four quarterly activities each year to further fair housing.

Facilitate desegregation and racially inclusive patterns of occupancy and use of public facilities.

The Civil Rights Checklist is used to monitor the Subgrantee and/or subrecipient for compliance with the civil rights issues discussed in this section.

1.13.1 Civil Rights Requirements: Laws, Statutes and Executive Orders

Civil rights laws applicable to Florida CDBG-DR programs are set forth in the following statutes and Executive Orders:

- **Title VI of the Civil Rights Act of 1964**: This act states that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of race, color, or national origin.

- **Section 3 of the Housing and Urban Development Act of 1968, as amended**: To the greatest extent feasible, employment and other economic opportunities, should be directed to low- and very low-income persons and business concerns which provide economic opportunities to low- and very low-income persons.

- **Title VIII of the Civil Rights Acts of 1968, as amended (Fair Housing Act)**: This act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin. It also requires HUD to administer its programs in a manner that affirmatively promotes fair housing.

- **Section 504 of the Rehabilitation Act of 1973, as amended**: This act states that no otherwise qualified individual shall, solely by reason of his or her handicap, be excluded from participation (including employment), denied program benefits, subjected to discrimination.

- **Section 109 of the Housing and Urban Development Act of 1974, as amended**: This act states that, under any program or activity funded in whole or in part under Title I or Title II of the act (regardless of a contract’s dollar value), no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin, or sex.

- **The Age Discrimination Act of 1975, as amended**: This act states that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age.

- **Executive Order 11063**: This act states that no person shall, on the basis of race, color, religion, sex or national origin, be discriminated against in housing (and related facilities) provided with federal assistance, or lending practices with respect to residential practices when such practices are connected with loans insured or guaranteed by the federal government.

- **Executive Order 11246, as amended**: This act states that no person shall be discriminated against, on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally assisted construction contracts in the excess of $10,000.

- **Equal Access to HUD-assisted or Insured Housing—24 CFR 5.105 (a)(2)(i) and (ii)**: This regulation requires equal access to housing in HUD programs, regardless of sexual orientation, gender identity, or marital status.

- **Chapter 760, Florida Statutes**: Which includes the Florida Civil Rights Act and Fair Housing Act.
1.13.2 Fair Housing

The first step in developing a fair housing program is to determine the needs of the community. This can be done by preparing the HUD required Analysis of Impediments to Fair Housing Choice. The State of Florida has prepared an Analysis of Impediments to Fair Housing Choice that is current in effect. The analysis identified potential impediments to fair housing choice and includes actions to be undertaken to help overcome these impediments. The potential impediments include, but are not limited to:

- Local planning and zoning and land use controls.
- Lending practices of financial institutions serving the community.
- Real estate sales and rental practices within the community.
- Areas of minority population concentrations.
- Quality of services provided to areas with high concentrations of minority persons.

Fair housing activities that can be taken by the Subgrantee depend on the type and the fair housing needs in an area, but consideration should be given to:

- Adopting a local fair housing ordinance that is equivalent to the federal fair housing law and include enforcement provisions.
- Revising formal and informal policies and practices of the local housing authority.
- Modifying local planning, zoning, and land use laws to permit construction of multi-family housing and less expensive single-family housing.
- Revising zoning ordinances and comprehensive plans to insure they promote de-concentration of assisted housing units.
- Creating a local housing authority.
- Advertise the community as a “fair housing community”.
- Developing a public information and education program to promote fair housing and a fair housing assistance program for special needs populations such as minorities, single women, the disabled, and large family households.
- Provide information concerning housing services and activities that can be disseminated through agencies and organizations which routinely provide services to protected groups.
- Meeting with community financial institutions to encourage broad lending practices.
- Working with developers and residents to ensure that new assisted housing is located outside areas of minority or low-income concentrations.
- Assisting local housing developers in developing outreach programs to attract minorities and woman-owned businesses.
- Working with real estate brokers to promote non-discriminatory practices in real estate transactions.
- Include a “fair housing” logo on community stationary.
- Sponsoring fair housing seminars and campaigns.

Recipients of Disaster Recovery CDBG grants will be required to undertake at least four fair housing activities each year (one activity per quarter) to affirmatively further fair housing within the community.
during the time the sub-grant agreement is open. The Subgrantee will need to carefully document these activities because documentation will be required to demonstrate these activities were undertaken during monitoring visits.


HUD also has many excellent Fair Housing resources that can be found at https://www.hud.gov/fairhousing. State and subrecipient staff may use this resource to download print-ready posters, brochures and other written materials.

1.13.3 Equal Employment Opportunity

Equal Employment Opportunity is a family of laws that prohibit discrimination of various kinds against protected classes of people. The laws include the following:

- Title VII of the Civil Rights Act of 1964
- The Pregnancy Discrimination Act
- The Equal Pay Act of 1963
- The Age Discrimination in Employment Act of 1967
- Title I of the Americans with Disabilities Act
- Sections 102 and 103 of the Civil Rights Act of 1991
- Sections 501 and 505 of the Rehabilitation Act of 1973
- The Genetic Information Nondiscrimination Act of 2008

The State, unit of general local government (UGLG) or State subrecipient should strive to set a high community standard for providing equal employment opportunities. The State, unit of general local government (UGLG) or State subrecipient must maintain records documenting compliance with fair housing, equal opportunity and civil rights requirements.

Suggested actions for furthering such opportunities at the local level include:

- Preparing accurate job descriptions for basing all employment selection and testing criteria.
- Establishing a network of contacts, including workforce boards, newspapers, and radio and television stations, and notifying them of all CDBG-related position openings and requesting assistance in the recruitment process.
- Distributing recruitment literature to women and minority organizations, and organizations that assist the disabled and older workers, and where appropriate, translating the materials into other languages.
- Identifying minority, women, and disabled staff to assist with applicant interviews; and providing them with training in proper interviewing techniques.
- Encouraging employees to refer qualified minority and women candidates for job openings, training, promotions, and transfers.
1.13.4 Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires DEO to ensure that employment and other economic and business opportunities gendered by HUD financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low-income persons.

It is the policy of the Florida Department of Economic Opportunity’s (DEO) Office of Disaster Recovery (ODR) to ensure that economic opportunities generated from U.S. Department of Housing and Urban Development (HUD) funded projects, to the greatest extent feasible, will be directed to low and very low-income persons, particularly those receiving assistance for housing, and the businesses that provide economic opportunities to these persons. ODR will utilize its policies with the intent to direct opportunities to local residents and businesses by requesting all contractors and subrecipients to make a good faith effort to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran’s or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

ODR implements this policy through the awarding contracts to contractors, vendors, professional service providers, consultants and suppliers, to create employment and business opportunities for residents in in disaster declared areas throughout Florida and other qualified low- and very low-income persons. ODR hopes to strengthen local economies and level the playing field for Section 3 residents and businesses who are most vulnerable post-disaster.

This policy will ensure that, in good faith, ODR will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 residents and other eligible persons and Section 3 business concerns working on contracts partially or wholly funded with the HUD monies. ODR shall examine and consider a contractor’s professional service provider, consultant or vendor’s potential for success by providing employment and business opportunities to Section 3 residents and business concerns prior to acting on any proposed contract award.
ODR will encourage any entity receiving assistance through the CDBG-DR grant will comply with Section 3 requirements. These entities could be units of local government, public housing authorities, Indian tribes, or other public or private nonprofit organization. Housing and community activities related to Section 3 are housing construction, rehabilitation and/or other public construction activities.

**Thresholds**

Compliance with Section 3 is required for a recipient of Housing and Community Development Assistance of at least $200,000. Contractors or subcontractors that receive awards in excess of $100,000 are also subject to Section 3 requirements. Section 3 requirements apply for projects involving housing construction, demolition, rehabilitation or other public construction activities (e.g., roads, sewer, water, community centers) and the completion of these projects creates the need for new employment, contracting or training opportunities.

DEO will incorporate Section 3 in its existing policies and adopt a Section 3 contracting policy to be included in procurements with HUD funding. Neither Section 3, nor 24 CFR 135, supersedes the general requirement that all procurement transactions be conducted in a competitive manner. However, Section 3 allows geographic preference to be a consideration when evaluating a bid or proposal.

A person seeking preference under Section 3 has the responsibility to provide evidence (if requested) of eligibility for the preference. A Section 3 resident must meet the minimum qualifications of the positions to be filled and a Section 3 business that seeks preference must document (if requested) that it qualifies as a Section 3 business. A Section 3 business concern must have the ability to and capability to perform successfully under the term and conditions of the proposed contract. As appropriate, all contractors seeking Section 3 preference must complete certifications as acknowledgement of the Section 3 contracting and employment provisions required by this section.

DEO and each covered contractor’s, subcontractors, professional service providers, consultants or subrecipients will in good faith comply with the requirements of Section 3 for new employment, training, or contracting opportunities resulting from the expenditure of HUD funding. Additionally, DEO’s existing Procurement Policy contains an effort to promote contracts to Minority and Women Business Enterprises.

**Good Faith Effort**

At a minimum, the following tasks must be completed to demonstrate a good faith effort with the requirements of Section 3. ODR and each contractor, subcontractor, professional service provider, vendor or supplier seeking to establish a good faith effort as required should be filling all training positions with persons residing in the target area.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment source, organizations and other community groups capable of referring eligible Section 3 applicants.

2. Include in solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.

3. When using a newspaper of major circulation to request bids/quotes or to advertise employment opportunities to also advertise in minority-owned newspapers.
4. Maintain a list of all residents from the target area who have applied either on their own or by referral from any service, and employ such persons, if otherwise eligible and if a trainee position exits. If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy. A list of eligible applicants will be maintained for future vacancies.

Any construction contractor, professional services provider, vendor or supplier must certify that any vacant employment position, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed were not filled to circumvent the contractor’s obligation under 24 CFR Part 135.

What is a Section 3 Resident?

Section 3 Residents are:

1. Residents of public or Indian housing; or
2. Individuals that reside in the metropolitan area or nonmetropolitan country in which the Section 3 covered assistance is expended and whose income does not exceed the HUD income limits set forth for low- or very low-income households.

DEO will certify Section 3 program participants who reside in disaster-declared areas and are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility.

What is a Section 3 Business Concern?

Section 3 Business Concerns are:

1. 51 percent of more owned by Section 3 Residents, or
2. 30 percent of employed staff are currently Section 3 Residents or were Section 3 residents within three years of the date of first employment, or
3. 25 percent of subcontracts committed to Section 3 businesses.

Section 3 Goals

DEO has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirement. To the greatest extent feasible, ODR will comply with the minimum numerical goals of:

- 30 percent of new hires annually
- 10 percent of the total dollar amount of covered construction contracts
- 3 percent of the total dollar amount of covered non-construction contracts

It is the responsibility of contractors, professional service providers, consultants, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any firm that does not meet the Section 3 numerical goals must demonstrate why meeting the goal was not feasible.

Section 3 Residents Recruitment, Training and Employment

DEO will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Promoting outreach to recruit Section 3 residents through local community action agencies;
- Endorsing outreach to recruit residents in receipt of public housing assistance;
- Advocating outreach to recruit Section 3 business concerns;
- Coordinating outreach with Public Housing Agencies, Chambers of Commerce, community organizations, Small Business Administration and other local stakeholders;
- Encourage training and employment of Section 3; and
- Documenting actions taken to comply with Section 3.

DEO will also provide contractors with a directory of Section 3 certified businesses.

Developers and Contractors Obligations:
Under ODR’s Section 3 policy, funded subgrantees, subrecipients, and vendors will have the following responsibilities:

1. Conduct employment outreach to Section 3 eligible business concerns and Section 3 residents for sub-contracting and business opportunities.
2. Accept and give preferential business engagement consideration to Section 3 business concerns.
3. Document outreach efforts related to eligible business concerns and Section 3 residents.
4. Maintain proper documentation of utilization of Section 3 eligible business concerns.

Section 3 Reporting
Annual Section 3 reports are submitted through the Section 3 Performance Evaluation and Reporting System (SPEARS) and are due 90-days after the program reporting cycle. The report measures ODR’s effort in meeting the minimum numerical goals.

When employing a Section 3 resident or business concern, the following documentation will need to be collected:

1. Proof of residency
2. Proof of public assistance
3. Proof of participation in federal, state or local assistance program

Roles and Responsibilities

The Section 3 Coordinator will be responsible for ensuring compliance by:

- Identifying programs, projects and activities which may trigger Section 3 compliance for ODR as the recipient of HUD funds
- Ensuring all Section 3 Clauses are in each Program’s Contractor agreements
- Assisting in training the ODR Programs to ensure they understand their responsibility concerning Section 3
- Monitoring each Program to assure they are assisting contractors where necessary
- Collecting required reports from Programs
• Reporting all annual DR program accomplishments regarding employment and other economic opportunities provided to low and very low-income persons under Section 3, to the Bureau Chief of Finance and Administration

Program Staff responsibilities include:

• Notifying Section 3 residents about training and employment opportunities and Section 3 businesses about contracting opportunities

• Inserting Section 3 Clauses into all Bid Documents (monitor if they are awarding funds to a subrecipient to carry out the Section 3 covered project)

• Inserting Section 3 Contract Clauses into contracts for Section 3 covered activities (monitor if they are awarding funds to a subrecipient to carry out the Section 3 covered project)

• Informing contractors or subrecipients of the language necessary to include in their agreements with all lower tiered contracts for Section 3 covered projects

• Annually updating Section 3 compliance documents with HUD Section 8 income limit

• Serving as point of contact for information regarding Section 3 compliance, reporting, business certification process and all other related matters

• Refraining from entering into contracts with contractors that fail to comply with Section 3

• Obtaining information necessary for the ODR Section 3 Coordinator to submit the required HUD 60002 form to HUD

• Attending scheduled pre-bid, pre-construction, bid opening and construction meetings for all Section 3 covered projects that they are implementing directly and be available to attend when requested by a subrecipient when feasible

• Promoting outreach to recruit Section 3 residents through local community action agencies

• Endorsing outreach to recruit residents in receipt of public housing assistance

• Advocating outreach to recruit Section 3 business concerns

• Coordinating outreach with Public Housing Agencies, Chambers of Commerce, community organizations, Small Business Administration and other local stakeholders

• Encourage training and employment of Section 3

• Documenting actions taken to comply with Section 3 requirements, results of actions taken, and impediments, if any
Contractors’ responsibility for Section 3:

- Meeting Numerical Goals
  - 30 percent of the new hires
  - 10 percent of the total dollar value of the construction contracts to Section 3 Business
  - 3 percent of the non-construction contract value

- Conducting employment outreach to Section 3 eligible business concerns and Section 3 residents for sub-contracting and business opportunities

- Accepting and giving preferential business engagement consideration to Section 3 business concerns

- Documenting outreach efforts related to eligible business concerns and Section 3 residents

1.13.5 Record Keeping
Local governments must maintain records documenting compliance with fair housing, equal opportunity, and civil rights requirements. Documentation must be obtained concerning:

- Employment in each local government operating unit which performs CDBG funded projects.
- The local government’s affirmative actions to further fair housing.
- For direct benefit activities, records relating to persons who have participated in any CDBG funded program.
- For area-wide activities, information on the area and the services provided and the race and ethnic character of the service area.
- Race, ethnic character, age, handicapped status, gender of heads of households, and number of elderly benefiting from the project.
- Race and ethnic character of households and handicapped status of persons displaced as a result of CDBG activities.
- Actions undertaken to meet Section 3 requirements and the written Section 3 Plan.
- Information on the racial/ethnic character of each business that receives a contract or subcontract of $10,000 or more paid with CDBG funds, including identification of women-owned businesses.
- The affirmative actions the local government has taken to overcome the effects of prior discrimination in administering a CDBG funded program.

1.14 Constituent Management Services

1.14.1 Constituent Complaints and Inquiries Procedures
All complaints and inquiries that are brought forward to DEO will be addressed through the Office of Disaster Recovery’s Constituent Management Services staff. Complaints are any verbal or written statement of grievance – including phone calls, emails, faxes, or letters that are received by the state, its contractor, and/or other program sources. Inquiries are requests for information or assistance. All complaints and inquiries that are received will be reviewed by the Constituent Management Services staff for:
1. Investigation, as necessary;
2. Resolution; or
3. Follow-up actions.

Every complaint and inquiry will be included in a tracking system. Constituent Management Services staff will maintain electronic files that include:

- Name of the complainant and contact information
- Date the complaint was received,
- Description of the complaint,
- Name of each person contacted in relation to the complaint,
- A summary of the result and the date of the response to complainant
- Explanation of the resolution of the file.

The state will make every effort to provide a timely written response to complaints and inquiries within 15 working days of the receipt of complaint, where practicable. The aim of the state will be to always attempt to resolve complaints in a manner that is both sensitive to the complainant’s concerns and achieves a fair result.

The Constituent Management Services staff will review these complaints and inquiries at least monthly to determine if there is a pattern developing and, if so, determine if the issue warrants a policy change or further training.

Complaints and inquiries can be submitted in any of the following ways:

1. Directly to DEO:
   a. Via online by visiting the Rebuild Program website to complete an online complaint form by going to: http://floridajobs.org/rebuildflorida/rebuild-florida-homeowner-complaint-form
   b. Via U.S. mail to:
      Attention: Constituent Services Management
      Florida Department of Economic Opportunity
      Division of Community Development
      107 East Madison Street
      Caldwell Building, MSC 160
      Tallahassee, Florida 32399
   c. Via email to: cdbg-dr@deo.myflorida.com
   d. Contacting Constituent Management Services (CMS) staff directly. CMS e-mail addresses and phone numbers are listed on the Office of Disaster Recovery’s main website (www.floridajobs.org/CDBG-DR).

2. Directly to a program-level representative:
   a. Via calling the Rebuild Florida Program hotline at 844–833–1010 to receive assistance from a Call Center Agent.
   b. In-person at an Intake Center to receive assistance from an Intake Specialist

A Complaint Log of all filed complaints at the Program level, with an Intake Specialist, the call center or other on-the-ground program representative is located on SharePoint under Departments > Applicant Relations > Complaint Tracker.
1.14.2 Anti-Fraud, Waste, and Abuse

The Florida Department of Economic Opportunity’s (DEO) Office of Disaster Recovery (ODR) is the recipient of Community Development Block Grant-Disaster Recovery (CDBG-DR) funds from the United States Department of Housing and Urban Development (HUD) to support long-term disaster recovery needs for housing, infrastructure and economic development. As a steward of public funds, ODR is actively working to combat fraud, waste and abuse in its programs.

This policy is directed specifically to ODR’s Community Development Block Grant-Disaster Recovery (CDBG-DR) programs and is intended to establish procedures and processes that will aid in the detection and prevention of fraud, waste, and abuse in the CDBG-DR programs.

This policy applies to all DEO employees, providers, vendors, contractors, consultants, partners, citizens, applicants, external departments and agencies doing business with ODR, as well as, beneficiaries and others associated with, working for, accessing, or attempting to access benefits under the CDBG-DR programs.

Scope

Fraud is the intentional (willful or purposeful) deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. There are many forms of fraud.

Waste includes over-utilizing ODR’s services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency.

Abuse includes activities that result in unnecessary costs to the ODR. Note that this is financial abuse, not physical or emotional abuse of a person. Physical and emotional abuse of a person should be reported to the police.

Examples of fraud include, but are not limited to, misrepresentation of:
- Income (Unreported or under-reported)
- Household composition
- Financial resources (transferred or hidden resources)
- Residency
- Citizenship status

Other types of fraud include, but are not limited to:
- Using another person’s identification
- Forging signatures or documents
- Concealing access to duplicate funding
- Misrepresenting a medical condition to obtain additional benefit
- Misusing funds (diverting them for an unintended use)

Other actions constituting fraud, waste and abuse include, but are not limited to:
- Any dishonest or fraudulent act
- Misappropriation of funds, supplies or assets
- Improprity in handling or reporting money or financial transactions
- Profiting as a result of insider knowledge
- Unauthorized disclosure of confidential or private information
Accepting or seeking anything of material value from contractors, vendors or any person that seeks a beneficial decision, contract, or action from ODR

Accepting or seeking anything of material value from contractors, vendors or any person that is providing services for CDBG-DR activities

Unnecessary cost or expenditures

Diversions of program resources

AFWA Complaint Process
DEO’s Office of Disaster Recovery constituents, employees and contractors may report suspected fraud, waste, or abuse by contacting Constituent Management Services staff, submitting information via the Report Fraud, Waste or Abuse online form (http://floridajobs.org/rebuildflorida/report; all contact information fields are optional to allow for anonymity) or by sending an e-mail to cdbg-dr_antifraudwasteabuse@deo.myflorida.com.

All suspected cases of fraud will be taken seriously, and fraud complaints will be reported to ODR’s Compliance and Reporting Manager and DEO’s Office of the Inspector General at OIG@deo.myflorida.com. If DEO’s OIG determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov) and DEO’s HUD Community Planning and Development (CPD) Representative.

Fraud, Waste, and Abuse Prevention Measures
ODR’s Compliance and Reporting Unit is responsible for ensuring that DEO’s CDBG-DR programs comply with all federal and state regulations as well as recommending improvements that enhance programmatic efficiency, effectiveness, and documented results. Below are the main critical responsibilities of this unit:

- Ensure ongoing compliance with federal, state, and local regulations through review of the policies and procedures, applicant eligibility and award determinations, and program activity files.

- Conduct regular internal monitoring of DEO’s CDBG-DR program and report results to program managers and ODR Director.

- Identify and assist with investigations of potential fraud, referring cases to DEO’s OIG as appropriate

- Oversee and coordinate all reporting for DEO’s CDBG-DR program, including federal reporting requirements, data analysis, and providing data dashboards for agency leadership

- Provide oversight monitoring for DEO’s CDBG-DR prime contractors

- Provide technical assistance to program areas regarding compliance issues and questions, as well as monitoring findings.
Confidentiality

Complainants reporting fraud, waste and misuse of federal resource, or other program irregularities may remain anonymous. All information received about suspected fraud, waste and abuse will be treated confidentially. Furthermore, all investigative materials developed and interviews conducted to substantiate the allegations of fraud, waste or abuse will be treated confidentially.

Information will only be disclosed on a need-to-know basis to appropriate law enforcement authorities. No information about the status of an investigation will be shared outside of the Constituent Management Services Lead, Policy Manager, Compliance and Reporting Manager, and CDBG–DR Program Director and authorized ODR staff members, except with the State or HUD OIG upon conclusion of the investigation or with law enforcement or legal counsel, in the event legal action should be needed.

Whistle-blower’s Act of 1986

ODR understands that confidentiality is important to avoid retaliation against reporting individuals. Florida’s Whistle-blower’s Act prevents agencies or independent contractors from taking retaliatory action against an employee who reports to a person or agency designated by the statute (see next paragraph below) violations of law on the part of a public employer or independent contractor [as defined in Section 112.3187(3)(d), Florida Statutes], that create a substantial and specific danger to the public’s health, safety or welfare. It also prevents agencies or independent contractors from taking retaliatory action against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or neglect of duty on the part of an agency, public officer, or employee.

Violations of this act should be reported in accordance with Section 112.3187, Florida Statutes. Any employee who has a complaint should immediately contact the Department head, Office of the Inspector General, the Governor’s Office of the Chief Inspector General, the Florida Commission on Human Relations, or the state’s whistle-blower’s hotline at (800) 543-5353. [Section 112.3187, Florida Statutes]

Cooperation with Official Department Investigations

DEO employees are required to maintain high standards of honesty, integrity, and impartiality and to place the interests of the public ahead of personal interests. When allegations of violations of these standards are received, full and accurate information must be obtained so management may respond appropriately. Toward this end, employees of the Department must cooperate with duly appointed investigators from the Office of Inspector General to uncover the facts surrounding possible violations in an official investigation.

Failure to comply as specified above without a valid mitigating reason, such as exercising a right protected by federal or state law, will constitute a violation of this policy and subject the employee to appropriate disciplinary action up to and including dismissal.

Fraud Related Training

All applicable ODR staff and all subrecipients shall attend fraud related training provided by HUD OIG to assist in the proper management of CDBG–DR grant funds.
Administration
This AFWA policy will be reviewed annually and revised as necessary to comply with Federal and State requirements. ODR’s Compliance and Reporting Manager is responsible for the administration, revision and application of this policy.

1.14.3 Public Records Request
Pursuant to Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes, the Department of Economic Opportunity is subject to the Florida Public Records Law. Accordingly, unless an exemption exists, all records produced or received pursuant to law or in connection with the official business of the Department can be requested and provided for inspection. All Public Records requests will be processed in accordance with DEO Administrative Policy 1.06, Processing Public Records Requests.

A Public Records Request may be verbal or take any form (e.g., email, written correspondence, in-person). The Public Records Act does not require that requests be in writing, comply with a certain form or have any specific content. A public records request may come from a member of the media, the general public, an employee, or any other individual. DEO cannot mandate receipt of the name of the requestor or purpose of the request in order to fulfill the Public Records Request.

Public records include all things made or received in connection with DEO business. All such materials, electronic and on paper, regardless of whether they are in draft or final form, are open to public inspection unless exempt or confidential.

The Public Record Coordinator is the person appointed by DEO charged with the responsibility of maintaining the Office of Public Records, including processing and tracking public record requests. The Public Records Coordinator is responsible for overseeing DEO’s compliance with public record/open government requirements and maintains a complete record of all DEO public record requests and corresponding disclosures. The Public Records Coordinator also serves as the primary liaison between DEO and the Office of Open Government in the Executive Office of the Governor.

The Office of Disaster Recovery’s Constituent Services Manager will act as a Public Record Division Liaison, and is the primary contact for all public record requests regarding the Office of Disaster Recovery/Rebuild Florida Program. The Office of Disaster Recovery’s Public Record Division Liaison will coordinate with the respective managers of each program to determine (1) what is and what is not a responsive record; and (2) where to find all responsive records.

Public Records Request Procedure
A. Intake and Processing
   1. When an Employee receives a Public Records Request:
      a. All employees who receive a Public Records Request will immediately forward the request to the Public Records Coordinator (PRRequest@deo.myflorida.com) for acknowledgement and tracking.
      b. Employees should then immediately notify their supervisor and Division Liaison regarding the request.
c. Any Employee receiving a Public Records Request will immediately coordinate with a supervisor and the Division’s Public Records Liaison regarding questions pertaining to the request such as: (i) what is and what is not a responsive record; and (ii) where to find all responsive records.

d. Employees will diligently and expediently work with their Division Liaison to gather all responsive records to provide to the Public Records Coordinator, however collaboration with the Public Records Coordinator is expected throughout the process.

e. The Public Records Coordinator will remain, at all times, the point of contact between the requestor and DEO.

2. When a Division Liaison receives a Public Records Request:

a. Division Liaisons will immediately forward the request to the Public Records Coordinator (PRRequest@deo.myflorida.com) for acknowledgement and tracking.

b. Division Liaisons will then work with staff in their Division to expeditiously gather all responsive records to provide to the Public Records Coordinator.

c. The Public Records Coordinator will remain, at all times, the point of contact between the requestor and DEO.

3. When the Public Records Coordinator receives a Public Records Request:

a. The Public Records Coordinator will communicate with the requestor to acknowledge receipt of the public record request by email, letter, or facsimile, as appropriate.

b. The Public Records Coordinator will then work with Division Liaisons to gather all responsive records to complete the request.

c. If the request is from a member of the media, the Public Records Coordinator will immediately forward the request to the Office of Communications and External Affairs (media@deo.myflorida.com). The Office of Communications and External Affairs will acknowledge all media Public Records Requests. The Public Records Coordinator will be informed of all responses to media that include public records.

4. Estimates

a. The Public Records Coordinator will communicate in writing with the requestor to provide the actual cost and an estimate of the special service charge, if applicable.

b. Payment of the estimated costs is required prior to processing the records for production.

5. Review and Redaction

a. Once the requested materials have been gathered by the Division, the Division will redact confidential and exempt information before releasing the records to the Public Records Coordinator for transmittal.

b. The Division will specify and provide all citations for any redactions.

c. The Liaison and/or Division employee will consult with OGC as necessary regarding redactions.

d. Each Division is responsible for redacting records with redaction tape or electronically and, if necessary, must be prepared to assume the cost of paper copies used in the redaction process. Do not redact with a marker.

B. Production of Records to Requestor
1. Responses to Public Records Requests will be made within a reasonable time taking into account the extent and nature of the request.

2. Copies of the request, acknowledgment, response, invoice, records produced, or a record of what was produced, any related correspondences, and payments will be maintained by the Public Records Coordinator.

3. When the requestor requests in-person inspection of the records, and all necessary fees have been paid, the Public Records Coordinator and the Division Liaison, if necessary, must supervise the inspection of records to ensure confidential information is protected.

C. Public Record Requests for Email Correspondences

1. The Public Records Coordinator will review the request and consult with the requestor and Liaison as necessary, to determine possible search terms and time frames to obtain the information requested.

2. The Public Records Coordinator will provide the request for emails to IT with search terms and time frames.

3. Once emails have been retrieved by IT, an estimate will be transmitted by the Public Records Coordinator, if applicable, including the cost of retrieval and review of the emails for exempt or confidential information.

4. Upon retrieval and payment of necessary costs by requestor, the Public Records Coordinator will provide the emails to the Division Liaison for review and redaction (if required), and then provide all responsive documents to the requestor.

1.14.4 Appeals

All applications, guidelines and websites will include details on the right to file a complaint or appeal, and the process for filing a complaint or beginning an appeal.

Housing Repair and Replacement Program – Program Reconsideration

Throughout the process, decisions will be made on an application and/or project to be delivered. The decisions are made based on statutes, codes of federal regulation, local administrative code, state and local guidelines as they are interpreted by the Program. This policy guides the process for an applicant or contractor requesting program reconsideration of decisions made by the HRRP.

Applicants have a right to participate in the process, and where they believe that a mistake has been made regarding their file, the Program includes an appeal process to provide the applicant with a mechanism for requesting further review on a decision made on their file. Program policies are not appealable.

Grounds to Request Reconsideration of a Decision

Applicants who have applied for funding for disaster recovery may only request reconsideration of the disposition of a Program decision on one or more of the following:

1. The amount of funding the applicant is eligible to receive.

2. Duplication of Benefits estimates.

3. Scope of work estimates.

A contractor may only request reconsideration for the issues related to draw payment or failure to meet benchmark construction deadlines.

Reconsideration Request of Local Program Decision

A party requesting reconsideration must file a written request for reconsideration with the HRRP to request a review not later than 30 days after the date the action to be reconsidered has occurred or when notice has been provided. The written request must include specific information relating to the challenge of the HRPP decision. HRRP will acknowledge receipt of the request. HRRP will respond in writing to the request no later than 15-working days after the date of receipt of the request. The response may take one of the following actions:

Acknowledgment of receipt of the request for reconsideration and notification that the review of the applicant file may take longer than 15 working days;

Request for additional supporting documentation or information from the applicant;

Status of the investigation and estimated timeframe for decision; or

Final determination of the issue:

Concur with the request and make the appropriate adjustments to the staff member’s decision; or

Disagree with the request and provide the basis for rejecting the request for reconsideration to the party.

Should an applicant disagree with the result of a request for reconsideration, the applicant will be provided with a notice of administrative right to appeal and instructions for the appeal process. In addition, applicants have the opportunity to file an informal appeal conducted by Department.

In order to request a reconsideration, please submit a written notice to CDBG-DRAppeals@deo.myflorida.com or submit by postal mail to the following address:

Attention: Office of Disaster Recovery, Special Deputy Myakka Slater
Florida Department of Economic Opportunity
Division of Community Development
107 East Madison Street
Tallahassee, FL 32399

Appeals Process

Informal Appeal
Once exhausting the reconsideration process, should an applicant disagree with the result of the request for reconsideration, the decision of the HRRP can be further reviewed through an agency informal appeals process. A party requesting a DEO informal appeal must file a written request for informal appeal not later than 30 days after the date of the decision of reconsideration request or when notice has been provided.

The written request for an informal appeal can be sent via email, fax or mail:

a. CDBG-DRAppeals@deo.myflorida.com

b. Attention: Office of Disaster Recovery, Special Deputy Myakka Slater
Florida Department of Economic Opportunity
Division of Community Development
107 East Madison Street
Caldwell Building, MSC 160
Tallahassee, FL 32399

1. The Hearing Officer will date stamp the written request for an informal appeal upon receipt.

2. The Hearing Officer will prepare and mail a Notice of Hearing to the applicant using delivery confirmation within 15 days of receiving the request for an informal appeal.

   a. The Notice of Hearing will include the date and time of the hearing as well as the issue to be addressed during the hearing.

      i. The hearing will be scheduled no fewer than 10 business days in advance of occurrence.

   b. The applicant will have the option to forward additional documentation to the Hearing Officer prior to the hearing, if applicable.

      i. Any additional documentation received by the Hearing Officer will be date stamped and must be received at least 24 hours prior to the hearing.

3. The hearing will be held telephonically on the date and time listed on the Notice of Hearing. The hearings will be recorded using the digital recording system (TBD) or a handheld recording device.

   a. The hearing officer will dial the number for the applicant listed on the Notice to Appeal.

      i. At least two attempts should be made to contact the applicant.

   b. The hearing officer will validate the delivery confirmation as to when the applicant received the Notice of Hearing on the record.

4. During the hearing, the Hearing Officer will establish the record addressing any issues of ineligibility, review all additional documents with the applicant and allow for testimony of the applicant.
5. Following the conclusion of the hearing, a final written decision will be issued by the Hearing Officer based on the merits of the case, testimony of the applicant, additional documentation and program policy and procedure.

   a. The final decision will be mailed using delivery confirmation to the applicant within 30 days following the hearing.

6. The Hearing Officer will update the applicant’s record and eligibility status in SERA to approve or reject the applicant from moving forward in the process.

7. If the applicant is dissatisfied with the final decision of the Hearing Officer, the applicant has the ability to appeal with the Florida Division of Administrative Hearings (DOAH).

**Formal Appeal/Notice of Administrative Appeals Rights**

Any person whose substantial interests are affected by DEO’s determination has the opportunity for an administrative hearing pursuant to section 120.569, Florida Statutes. For the required contents of a petition challenging agency action, refer to rules 28-106.104(2), 28-106.20(2), and 28-106.301, Florida Administrative Code.

Depending on whether or not material facts are disputed in the petition, a hearing will be conducted pursuant to either sections 120.569 and 120.57(1), Florida Statutes, or sections 120.569 and 120.57(2), Florida Statutes. Pursuant to section 120.573, Florida Statutes, and Chapter 28-106, Part IV, Florida Administrative Code, mediation is available to settle administrative disputes. Any petition must be filed with the Agency Clerk within 30 calendar days of receipt of DEO’s determination.

If an applicant files a request for reconsideration or informal appeal, the requirement to timely file a petition challenging agency action will be tolled until a decision under either method is rendered by the Department. At that time a new appeal window will begin. No applicant will lose their rights under Chapter 120, Florida Statutes, by filing a request for reconsideration or request for informal appeal.

Any petition must be filed with the Agency Clerk within 30 calendar days of receipt of this determination. A petition is filed when it is received by:

Agency Clerk  
Department of Economic Opportunity  
Office of the General Counsel  
107 East Madison Street, MSC 110  
Tallahassee, Florida 32399-4128  
Fax: (850) 921-3230  
Email: Agency.Clerk@deo.myflorida.com

**Uniform Relocation Act (URA) Appeals**

Tenants may appeal in any case in which he or she believes that the Program has failed to properly consider his or her application for assistance. This includes, but is not limited to, the tenant’s eligibility for, or the amount of, a payment required for relocation assistance. The tenant must appeal Program
decisions related relocation assistance within 30 days of receiving a written determination from the Program outlining the program’s decision related to his or her eligibility for benefits or amount of benefits. The URA appeals process will be governed by DEO’s administrative appeals process.

1.14.5 Fair Housing Complaints
Persons alleging a violation of fair housing laws will be referred to DEO’s local contact and process to file a complaint. DEO will retain a log and record of all fair housing inquiries, allegations, complaints, and referrals. In addition, DEO will report suspected non-compliance to HUD. The contact for Fair Housing Complaints is:

FairHousing@deo.myflorida.com
Phone: (850) 717-8426

1.14.6 Citizen Participation Plan
Florida values citizen and stakeholder engagement. Florida has developed a Citizen Participation Plan in compliance with 83 Fed. Reg. 5844, 83 Fed. Reg. 40314, § 24 CFR 91.115 and applicable U.S. Housing and Urban Development (HUD) requirements to set forth the policies and procedures applicable to citizen participation. This plan is intended to maximize the opportunity for citizen involvement in the planning and development of the Rebuild Florida recovery program.

In order to facilitate citizen involvement, Florida has laid out target actions to encourage citizen participation and allow equal access to information about the Rebuild Florida program. Florida intends to focus outreach efforts to facilitate participation from individuals of low-and moderate-income, those living in slums and blighted areas, those living in areas identified for recovery through Rebuild Florida, non-English speaking persons and other disadvantaged populations. Florida will publish its action plan in Spanish, French Creole and English.

DEO’s Citizen Participation Plan is available as a separate attachment.

1.14.7 Client and Public Outreach and Communication
The public outreach strategy used to market the Rebuild Florida Program is complex and multifaceted. It is outlined in detail within a separate Strategic Communications Plan and requires all external communications to be sent to DEO for approval prior to usage. The activities that have been undertaken include paid print, audio and visual media, door-to-door canvassing, outbound call campaigns, mobile outreach events utilizing communications-equipped buses, and community engagement outreach events hosted through partner organizations and agencies.

DEO’s Communication Strategy is available as a separate attachment.

1.14.8 Management of the Website

Introduction and Purpose
DEO manages a disaster recovery website webpage that serves as the primary repository of information for the state of Florida’s disaster recovery actions and resources. See http://www.floridajobs.org/CDBG-DR. The website contains links to all Action Plans, Action Plan Amendments, quarterly performance reports (QPRs), the Citizen Participation Plan, procurement policies, procurement notices and/or advertisements, executed contracts, activity/program information for activities described in the Action Plan and other information relevant to CDBG-DR program funds.
I. Action Plan

DEO will make available via its CDBG-DR website its initial Action Plan, all amendments to the initial Action Plan, and a master version of the Action Plan, which will be inclusive of all amendments. In addition, DEO will provide for the ability for the public to submit comments relative to the items covered in the initial Action Plan and subsequent amendments.

a. Initial Action Plan
The initial Action Plan for CDBG-DR activities will be posted to DEO’s website and made available for the public’s review in accordance with federal regulations. Once the public comment period has expired, the Action Plan will be submitted to HUD for review and approval. Upon receiving approval from HUD, the date of approval will be clearly indicated on DEO’s website.

b. Amendments
Substantial amendments to the initial Action Plan (i.e. those that result in a change in program benefit or eligibility criteria, the allocation or re-allocation of more than $1 million, or the addition or deletion of an activity) will be posted to DEO’s website and made available for the public’s review in accordance with federal regulations. Once the public comment period has expired, the amendment will be submitted to HUD for review and approval.

All substantial amendments will be translated into Spanish and Haitian Creole—the languages identified by DEO’s language analysis of Limited English Proficient (LEP) Floridians in impacted areas. DEO will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and limited English proficiency (LEP). DEO’s website features embedded technology to provide accessibility to the visually impaired and includes an Interpretive Translation Notice informing citizens in 15 different languages that translation services are available upon request.

DEO will notify HUD of non-substantial amendments to the initial Action Plan but will not post them to the DEO’s website for public comment. Once HUD has acknowledged receipt of a non-substantial amendment or after five days have elapsed since the submission to HUD, DEO will post the non-substantial amendment to its website.

All amendments (substantial and non-substantial) will be numbered sequentially and incorporated into DEO’s Master Action Plan.

c. Master Action Plans
DEO will maintain Master Action Plans that will serve as a single point of reference with regards to its plans for utilizing the CDBG-DR appropriations. The CDBG-DR Master Action Plan will incorporate all amendments and will be made available to the public via DEO’s website.

d. Public Comments
In accordance with federal regulations and in the interest of ensuring that the public is afforded ample opportunities to provide feedback to DEO on its plans for the recovery effort, DEO will make available
multiple methods by which public comments can be submitted:

Florida Department of Economic Opportunity
Office of Disaster Recovery
The Caldwell Building
107 East Madison Street, MSC-400
Tallahassee, FL 32399
CDBG-DR@deo.myflorida.com

The website will clearly identify the individual serving as the primary point of contact for all public comment related communications.

   e. Link to Public Notices
Links to HUD’s webpage containing all of the applicable Public Laws, Federal Register Notices, and other related materials will be included in the Action Plan section of the CDBG-DR website.

II. Reporting
As required by HUD and furthering DEO’s commitment to transparency, DEO will complete a Quarterly Performance Report (QPR) detailing the expenditures, accomplishments, and beneficiaries associated with the appropriation of funding over each quarter. All quarterly reports are due to HUD on the 30th of each month after a quarter ends. DEO will post the each QPR when it is submitted to HUD. Initially, the report will be labeled as “Pending HUD Approval” until the parish receives notification from HUD that the QPR has been reviewed and accepted.

III. Grants Management
DEO will post the policies and procedures that govern its management of the CDBG-DR funding in order to ensure that all individuals are afforded an opportunity to gain an understanding of how the Department manages the recovery dollars.

DEO’s Office of Disaster Recovery (ODR) Policy Manual sets forth the policies and procedures by which DEO manages its recovery funding – with respect to ensuring compliance with applicable local, state, and federal rules and regulations. The manual will be updated on an as needed basis and DEO will ensure that the latest version of the manual is available on its website.

   b. Internal Controls

In addition to the topics covered in the DEO’s Policy Manual, DEO will post to its website additional documents that address the various internal controls put in place to ensure the appropriate use and management of the CDBG-DR funds:

▪ Compliance Monitoring Plan
▪ Purchasing Policy
▪ Purchasing and Contracting Guidelines
▪ Anti-Fraud, Waste and Abuse policy
Policy Unit staff of the DEO’s Office of Disaster Recovery coordinates reviews with staff from relevant bureaus/units on a quarterly basis to ensure that DEO’s Policy Manual and the documents that address the internal controls accurately describe DEO’s administrative and program operations at any given point in time. At a minimum, Policy Unit staff will make changes to the policies and procedures on an annual basis; however, changes determined to be of critical importance or that address or cause a substantive change to the ODR’s operations will be made within 30 days of the change being approved.

c. Contracts
ODR will post to its website copies of all executed contracts. In addition, any substantial amendments to those contracts (e.g., contract value is increased or scope of services is revised) will be posted to ODR’s website.

Further, ODR will make available information (via a link to DEO’s Purchasing Department webpage) on the status of services or goods currently being procured. Information on the phase of the procurement, requirements for proposals, winning bidder, etc. will be included.

d. Points of Contact
An organizational chart depicting ODR leadership and the personnel responsible for managing the CDBG-DR funding will be posted to DEO’s website. Contact information for key personnel will be included as well. If a material staffing change occurs, ODR will update the applicable item(s) within 30 days of the official change.

IV. Accessibility of Information
DEO strives to implement an all-inclusive recovery strategy that recognizes the diversity of the citizens of the state of Florida. To that end, DEO will translate all vital program documents into Spanish and Haitian Creole (as determined by the completion of a Limited English Proficiency analysis) and make available staff members that are able to communicate effectively with non-English speakers. In addition, the DEO’s CDBG-DR and website will utilize features allowing for automatic translation into the language of the reader’s choice via Google translation services and for the adjustment of font size in order to accommodate the visually impaired.

VI. Website Maintenance Procedures
The ODR’s Communications Unit directs and supervises the content of the website. Staff within the Communications Unit develops the narrative and visual content. The Communications Specialist is responsible for updating the website, usually on a monthly basis, with information they receive from CDBG-DR staff members within ODR and from other areas of DEO (e.g., Finance, Purchasing, etc.).
DEO also maintains a separate website created specifically for the Rebuild Florida programs (www.RebuildFlorida.gov).

### 1.15 Reporting

DEO will maintain accurate files and records on each homeowner and will retain all pertinent documentation for the grant between HUD and DEO. Compliance will be maintained in accordance with the reporting requirements as outlined in the DEO policies and procedures. This includes all information and reports as required under the DEO contract with HUD and demographic data and other information on homeowner households and awardees. The reporting requirements will include, but are not limited to the following:

For each program activity requiring a direct application by an individual or non-institutional entity:

- Homeowner household’s income.
- Household’s income as a percentage of area median income as defined by HUD.
- The race and ethnicity of the head of household.
- The household’s familial status.
- The presence or non-presence of a household member with a disability.

For each activity providing housing or housing assistance that is not directly linked to a specific beneficiary:

- The cost of the housing unit to the homeowner and to the occupant.
- The maximum qualifying household income as a percentage of area median income as defined by HUD.
- Restrictions regarding the age or familial status of occupants.
- The presence or absence of designs or services that make the housing unit accessible to an individual with a disability and the number of fully accessible units.

All official records on programs and individual activities are maintained for a five-year period, beyond the date of grant closeout.

### 1.16 Compliance Monitoring

A separate document titled Compliance Monitoring Plan (CMP) provides a series of systematic procedures and activities that will ensure compliance with CDBG-DR requirements. The CMP provides an overall summary of grant activities throughout the life cycle of the grants that ensure programs are compliant with state and federal requirements and meet programmatic objectives. The plan outlines the duties and responsibilities of DEO and IEM for Hurricane Irma disaster recovery programs as they relate to:

- Citizen participation-related actions;
- Quality assurance/quality control;
Office of Disaster Recovery Policy Manual

- Reporting (financial, monthly direct, and monthly subrecipient);
- State and federal audits;
- Anti-fraud, waste and abuse;
- Cross-cutting requirements;
- Monitoring;
- Technical assistance and training;
- Records management and retention;
- Complaints and appeals procedure; and
- Disallowed costs and resolution.

1.16.1 DEO Monitoring for Civil Rights Requirements
Following a grant award, the State, unit of general local government (UGLG) or State subrecipient is required to adhere to and monitor performance relating to civil rights requirements. The areas of the review include the following:

- Current employment and personnel policy;
- Civil rights profile;
- Job advertisements;
- Employment discrimination complaints;
- Employment data that indicates that persons are not being denied benefits or treated differently because of their race, color, sex/gender, national origin, or disability status;
- Documentation of steps taken to further fair housing during the year and the annual fair housing activity;
- Housing discrimination complaints and documentation describing the process used to handle such complaints;
- Board minutes indicating when the local fair housing ordinance was adopted; and
- The title of the civil rights compliance officer.

1.16.2 Quality Assurance/Quality Control (QA/QC) Procedures
Quality Assurance/Quality Control (QA/QC) review is an independent and objective activity intended to add value and improve the Florida Department of Economic Opportunity (DEO) Office of Disaster Recovery (ODR)’s Community Development Block Grant Disaster Recovery (CDBG-DR) operation while reducing risks of HUD and program nonconformance. To achieve these objectives, ODR will:

- Exercise impartial, unbiased professional care when completing QA/QC reviews.
- Exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information, findings, and conclusions about the processes and data being examined.
- Ensure a balanced assessment of each file review by not being unduly influenced by their own interests or by others in forming judgments.

ODR’s QA/QC plan was developed to outline a formal process to identify potential compliance issues and implement best practices for disaster recovery. More specifically, this plan and review checklists will assist ODR in complying with program monitoring requirements and:

- Perform file reviews and utilize data collected during the desk review process to improve program processes and procedures.
- Monitor programs that are operating within the terms of the Action Plan, approved by HUD, and program guidelines established by ODR.
- Confirm that program expenditures/draw requests are eligible based on applicable laws and CDBG regulations.
- Report exceptions and concerns to reduce HUD monitoring concerns, findings, and/or repayment.
- Follow-up with identified compliance issues, initiate corrective actions, and implement program controls, as necessary.
- Implement continuous process improvement.

Housing Repair and Replacement Program – QA/QC Plan

Strategy
Desk reviews will be performed on all portions of selected Homeowner Grant Agreements. These desk reviews will utilize standardized checklists and will be conducted in a progression that moves along a contract’s life cycle for critical core components as outlined below:

- **Phase I: Applicant Eligibility and Benefit Determination Checklist**
  Phase I of the QA/QC review will ensure that applicants qualify for program assistance, have received all required program notifications, and confirm that Duplication of Benefit (DOB) procedures were properly implemented prior to the signing of a Grant Agreement with the program. Areas of review will include:
    - Distribution and documented receipt of ODR/HUD Required CDBG-DR Notifications
    - Intake and Applications for Assistance
    - Applicant Eligibility Determinations
    - Duplication of Benefits (DOB) Analysis
    - Uniform Relocation Act (URA) Applicability and Notifications
    - National Objective Determination
    - Prioritization for Assistance

- **Phase II: Pre-Construction**
  Phase II of the review process will ensure that all pre-construction requirements are met prior to the issuance of a Notice to Proceed for construction work on an applicant’s home. Areas to be reviewed for program compliance and necessary and reasonable costs are:
    - Tier II Environmental Review Record/Clearance
• Phase III: Post-Construction

When construction is complete, a QA/QC review will be conducted to ensure that all paperwork and documentation related to the rehabilitation or reconstruction of the applicant’s home is uploaded to their file prior to making a final payment to the contractor. Areas to be reviewed are:
  o Contractor Eligibility and Licensure
  o Project Bidding Process
  o Construction Contract and Change Orders
  o Interim Property Inspections
  o Environmental Remediation and Notifications
  o Compliance with URA
  o Cost Reconciliation

• Phase IV: Closeout

Prior to close out of the applicant’s file, a final QA/QC review will take place upon expiration of the one-year warranty period. Areas to be reviewed are:
  o Final Acceptance of Work and Payment (including reconciliation of all project costs)
  o Repair Warranty Notifications and Completion of Work
  o Compliance Status of the Applicant

Any conflicts of interest encountered during QA/QC reviews will be reported to the Bureau Chief of Finance and Administration and the reviewer will be recused of performing any reviews that may constitute a conflict of interest.

QA/QC Reported Issues Investigations

In addition to regular desk reviews of Homeowner Grant Agreements, the QA/QC Team will be conducting QA/QC investigations of issues reported into the QA/QC Issues Tracker in SharePoint. Once an issue is identified, QA/QC staff work with Program or Operations staff to ensure that the condition identified is as it appears. The QA/QC Team will then conduct a desk review of a reported QA/QC issue by sampling 10% of the records with identified issues. After a thorough review of the records, the QA/QC Reviewer will compile a report. The report will include:
  • the methodology used for sampling,
  • a description of the records sampled,
  • issues identified,
  • findings,
  • and recommendations.

QA/QC Investigations are conducted on issues reported into the QA/QC Issues Tracker by ODR staff.
QA/QC Issue Reporting Procedure

Types of Issues to Report:

- Issues with System of Record (SoR) data (i.e., duplicate records, inconsistencies in application or eligibility review records, Duplication of Benefits concerns, etc.)
- Contract Management Issues (i.e., contract language issues, contract file concerns, invoice concerns, inadequate documentation for invoice justification, etc.)

How to Report:

1. Go to the ODR Florida SharePoint. Click on “Issue Tracking” under Finance & Administration.

2. Select “New” to create a new issue.
3. Fill in the required fields: Title, Issue Status, Priority, Description, Category, Program Area, Source, and Assigned To.
   a. Title: Give your issue a title that makes it easy to understand and identify the issue you are experiencing. For example: If you discover that there are Damaged Locations with completed applications but the registration isn’t completed yet, you may want to give it a title of “Damage Locations with Application Completed Date before Registration Completed Date”.

   QA&QC Issue Tracking Log

   To link to an image, open the tool pane and then type a URL in the Image Link test box.
b. **Issue Status:** Select either New, Active, Pending, or Follow-up. The Compliance Officer assigned to your issue will select Closed when the issue has been investigated and resolved. The tracker will default to New status for any new issue being reported.

![Issue Tracking Log](image)

- **Issue Status:**
  - New
  - Active
  - Pending
  - Follow-up
  - Closed

- **Priority:** Select either Critical, High, Normal, or Low. The tracker defaults to Normal.

![Priority Selection](image)
d. Description: Type in a description of the issue you are reporting. This can be as detailed as you would like. You also have the ability to attach a file as documentation of your issue.
e. Category: Select either Contract, Invoicing, Data Integrity, or SoR Functionality.
   1) Contract: This category relates to issues found with ODR contract files or vendor issues.
   2) Invoicing: This category relates to issues with invoices submitted by vendors or subrecipients.
   3) Data Integrity: This category relates to issues found with data in the SoR.
   4) SoR Functionality: Select this category if there is a glitch in the SoR that you are reporting as an issue.

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<tr>
<th>Category *</th>
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- [ ] Business Recovery
- [ ] Compliance & Reporting
- [ ] Financial Management
- [x] Housing
- [ ] Infrastructure
- [ ] Mitigation
- [ ] Policy
- [ ] System of Record
- [ ] Voluntary Buy-out
f. Program Area: Select the program area that corresponds with your issue. If more than one area applies, select all that apply.

- Affordable Rental
- Appeals
- Business Recovery
- Compliance & Reporting
- Financial Management
- Housing
- Infrastructure
- Mitigation
- Policy
- System of Record
- Voluntary Buy-out
- Workforce Recovery

g. Source: Type in the name of the person who originally discovered the issue. If that person is you, type your name in. When you begin typing, a list of suggested names will appear below the text field. Select the appropriate name from the list so that an email can be sent to this individual.
h. Assigned To: For this, always assign to Jamie McNease. Your issue may be reassigned after it has been reviewed but for all new issues, assign to Jamie McNease.

4. Select a title from the Related Issues box and click Add to associate your new issue with one that has already been reported. Then, click Save to submit your issue into the tracker.

**Testing Attributes**

Testing attributes are items that QA/QC will test and monitor for during the desk review process. While the Program applies the following three types of attributes to operations – federal guidelines, state guidelines, and self-imposed program guidelines, QA/QC will focus on federal guidelines as the essential requirements for the program to meet. A periodic meeting with applicable parties will be held to discuss state and self-imposed guidelines to determine the validity and/or the value that the requirement adds to the program. These attributes will be either kept and monitored or eliminated.
Sampling
It is anticipated that 10% of all applicant files will be reviewed for compliance with HUD regulations and program policies. When a level of confidence in program outcomes has been achieved, ODR may elect to review a sampling of program files for some or all of the CDBG-DR program. If ODR elects to review a subset of files for each program, the use of effective QA/QC sampling procedures will be necessary to increase the coverage, focus, and efficiency of QA/QC reviews.

If the program elects to employ a sampling methodology, the QA/QC Team Lead must follow best practices when selecting samples for QA/QC review and should confirm that each sample is statistically significant to the overall population or the sub-population being assessed. In advance of selecting the statistically significant samples, the QA/QC Team Lead must define the population or sub-population to ensure that the sample is selected from the appropriate data set and can adequately represent the QA/QC sample.

With a statistically significant sample, the QA/QC Team Lead can project the results of the sample to the population or sub-population with a method of projection consistent with that used to select the sample. The projection of the sample may involve estimating probable errors or deviations in the population. Consideration should also be given as to whether the use of sampling has provided a reasonable basis for conclusions about the population tested.

The QA/QC Team Lead also may utilize various sampling methodologies to ensure that the integrity of the sample selection remains intact and offers confidence in the results or findings. For this reason, it is important that the QA/QC Plan utilizes industry accepted guidance and standards on sampling along with the specific design of the QA/QC function to confirm the appropriate sampling technique is used.

Techniques for QA/QC sampling that may be deployed in subsequent reviews are varied. Sampling techniques that may be used on ODR QA/QC reviews may include but are not limited to:

1. **Random Sampling**: Selection is not governed by predetermined considerations; every unit in the population has equal opportunity of being selected.

2. **Monetary Unit Sampling**: Used to identify monetary random values. For example, in using this approach, the QA/QC Team can select every 10,000th dollar of scope of works to review and extrapolate findings and/or exceptions across the population.

3. **Attribute Sampling**: Used to determine the characteristics of a population being evaluated.

4. **Variable Sampling**: Designed to predict the value of a given variable for a population.

5. **Discovery Sampling**: Used where evidence of a single error or instance would call for intensive investigation.

6. **Stratification Sampling**: The process of segregating a population into homogenous subpopulations explicitly defined so that each sampling unit can belong to only one subpopulation depending on the criteria used for stratification.
Using a variety of techniques, the QA/QC Team Lead can analyze possible sample errors to validate that errors exist and determine the nature and cause of the errors. When errors are assessed, additional testing may be required.

**Findings / Reporting / Issue Resolution Process**

Before a QA/QC finding is presented to the appropriate program leadership, all initial review findings should be validated by a secondary QA/QC review conducted by the QA/QC Team Lead. Exception findings should be classified according to their impact on the outcome of an application as follows:

- **Observations/Concerns**: Findings that do not impact the outcome of the application’s eligibility, grant award amount, or program/HUD compliance.

- **Findings/Material Exceptions**: Findings that are likely to result in a HUD finding, program sanctions, and/or monitoring findings that require repayment of federal funds.

The QA/QC Team Lead will maintain a complete and accurate record of both Observations/Concerns and Findings/Material Exceptions. All exceptions (Observations/Concerns and Findings/Material Exceptions) will be reported to the appropriate program managers and bureau chiefs so corrective measures can be taken, and if necessary, new process controls can be implemented to prevent future exceptions.

The QA/QC Team Lead will maintain a record of all applications reviewed, which will be the basis for reporting to the appropriate program managers and bureau chiefs. The QA/QC Team Lead will prepare exception reports detailing the applications reviewed, exceptions identified, and the type of review(s) conducted.

The communication of the QA/QC Observations/Concerns and Findings/Material Exceptions to program vendors and contractors will be the responsibility of the appropriate CDBG-DR staff. The forum, frequency, and detail of discussions for QA/QC findings will be at the discretion of the Bureau Chief of Finance and Administration and the Deputy Director of the Office of Disaster Recovery.

To accurately track the outcome of exceptions, the QA/QC reviewer will notify the QA/QC Team Lead in writing of the previous two weeks’ exceptions, whether the exceptions are valid and if additional comments are needed. All Findings/Material Exceptions and Observations/Concerns that are systemic in nature will require the responsible vendor(s) to provide a corrective action plan.

An executive QA/QC quarterly report will identify the number of files reviewed, the number of follow-up reviews, and a summary of exceptions, the exceptions corrected, and additional controls implemented to mitigate risk. The report also will provide a comparison of the reporting quarter’s findings and performance to historical quarters for stakeholders to assess program improvement over time.

**Roles and Responsibilities**

**QA/QC Team Lead** - Individuals responsible for organizing, conducting and reporting QA/QC results. The QA/QC Team Lead may request that an individual with unique or specific expertise participate as a
QA/QC team member.

**QA/QC Reviewer** - Appropriately trained individual not having direct responsibilities in the areas being assessed.

**Training**

Beyond the recommendations made in compliance review reports, QA/QC can be a valuable tool in educating program staff giving ODR the advantage of reviewing a population of program applications and utilizing these reviews to gain a strong understanding of common, systematic issues.

Gathering information on work product, root cause investigations, and opportunities for improvement, the QA/QC Team Lead will provide supplemental training on those subjects that the Bureau Chief of Finance and Administration believes are necessary for program success.

### 1.17 Records Management and Retention

DEO will maintain Program records in accordance with DEO policies and procedures for records retention. Regarding Program records that relate to individual property activities, applicant files will be maintained within the DEO System of Record. The DEO System of Record for the HRRP is built on the Salesforce platform. The System of Record has been built by and will be maintained by DEO-procured resources. Salesforce should be designed to maintain project/applicant files that document the activities undertaken with respect to specific individual beneficiaries, property owners and/or properties. Any paper records produced during the course of Program implementation will be turned over to DEO for DEO retention upon contract closeout.

DEO requires subrecipient to maintain all program- and project-related documentation such as financial records, supporting documents, and statistical records. Per 24 CFR 570.490, these records must be retained for a period of not less than five (5) years after the physical year of the grant or three (3) years after grant closeout with HUD, whichever is longer. The subrecipient will be provided with guidance and technical assistance regarding establishment of a filing system to keep records that is easy to use while providing an accurate account of activities for examination and review by the DEO disaster recovery grant manager, auditors, and local subrecipient staff. CDBG-DR records are subject to the Freedom of Information Act and relevant state laws regarding public availability. The filing system should be established on a project basis. Files should, to the extent possible, be maintained in a central location.

#### 1.17.1 Personally Identifiable Information

All files containing Personally Identifiable Information (PII) must be handled in a secure manner. To protect PII, files should be given a unique identification number. The identification number is generated through the Program’s Salesforce system.

#### 1.17.2 File Security

All records will be maintained in an electronic format. File security is defined between DEO and the System of Record vendor.
1.17.3 Record Retention

Records are maintained to document compliance with Program requirements and federal, state, and local regulations and to facilitate an audit review by HUD. Records are maintained in accordance with 24 CFR 570.3, which states they must be maintained for a period of five years following the closeout of HUD’s grant agreement with the State. Proper records management ensures that:

1. The State complies with all requirements concerning records and records management practices under Federal and state regulations;
2. The State has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements and community expectations;
3. These records are managed efficiently and can be easily accessed and used for as long as they are required; and
4. These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

1.17.4 Applicant Files

The Program must maintain electronic files for each applicant funded through Rebuild Florida. Each file must contain at a minimum the following information:

- Verification of Program eligibility.
- Determination that the National Objective has been met (can be LMI or Urgent Need in some cases and should be noted in each file).
- Repair/construction related items.
- Award calculation and supporting documentation.
- Duplication of benefits calculations.
- Grant recapture documents.
- Environmental clearance.
- Grant agreement documents.
- Monitoring QA/QC.
- Appeals, if applicable.
- Correspondence, notes.
- Supporting documentation and forms.
- Procurement Information for Construction Contract.
1.18 Subgrantee and/or Subrecipient Closeout

1.18.1 Closeout Overview

Subrecipients are responsible for timely submission of closeout documents. A subrecipient agreement cannot be closed out until all activities associated with the project have been completed and the National Objective has been met. For example, a project that provides funds for a new sewage collection and treatment system cannot be closed out until the households are connected to the system and the system is fully functional.

The Office of Disaster Recovery staff coordinate with the subrecipient to ensure appropriate closeout documents are submitted. There are two stages in the closeout process: Administrative Closeout and Final Closeout. Administrative closeout means that the subrecipient has received notice from CDBG-DR staff that all applicable administrative actions and all required work in the subrecipient agreement have been completed, with the exception of the submission and approval of the final audit required under 2 CFR Part 200. Final closeout means that the subrecipient has received notice from CDBG-DR staff that the final audit has been submitted and that there are no outstanding audit issues to resolve or an attestation statement has been submitted that a 2 CFR Part 200 audit is not required.

To complete necessary closeout documents, subrecipients and their subcontractors must closeout any subcontracts or subrecipient agreements associated with the funded activities and settle any outstanding financial claims. Subcontractor(s) should be advised to prepare claims or invoices and submit them to the subrecipient within 30 days of the completion of the project to ensure payment requests are made before the closeout process begins.

The Subgrantee or subrecipient’s Administrative Closeout package must be submitted within 45 days after termination date of the subrecipient agreement or as soon as the project is completed. The closeout package includes data regarding accomplishments and beneficiaries served and documents how federal and local resources were expended in accordance with the current approved budget. The closeout package must be signed by the subgrantees or subrecipient’s chief elected official or by the individual with a designation of signature authority signed by the chief elected official.

After the subrecipient is final closed, the subrecipient must keep all records related to the grant award for a minimum of 6 years after final closeout has been approved or from the end of any audit or legal proceedings involving the subrecipient award.

1.18.2 Closeout Process

The Subgrantee or subrecipient must submit a subrecipient agreement closeout report and documentation to the Office of Disaster Recovery within 45 days of the termination of the contract or within 45 days of the completion of all activities. Upon completion of activities contained in the subrecipient agreement, including any amendments, the subrecipient shall submit to the Office of Disaster Recovery a closeout report and documentation (closeout package) that includes the following:

1. The final statement of costs and copies of the final construction invoices;
2. Certification that all construction has been completed, inspected and approved by all parties prior to the sub-grant end date and submission of the administrative closeout;
3. Photos of project activities, maps, and documentation of fair housing activities and resolution of citizen complaints and any outstanding monitoring issues;

4. Certification that all costs including those reflected on the closeout report have been paid;

5. Documentation of the expenditure of any leverage;

6. A report of final beneficiary data and final accomplishments;

7. A list of the homes receiving direct benefit; and,

8. Certification that each housing unit assisted was within the local government’s jurisdiction for housing rehabilitation.

In addition:

1. All funds drawn from the sub-grant award and not expended must be returned to the DEO Office of Disaster Recovery prior to submission of the closeout report.

2. The closeout report must contain original signatures. Facsimile (FAX) and electronic submissions are not acceptable to meet submission requirements.

3. If a Subgrantee or subrecipient fails to meet contractual requirements on time, the DEO shall require that the Subgrantee to financially (not administratively) close out a sub-grant to meet federal requirements for the timely distribution of funds set by HUD.

4. If an audit report is past due, the sub-grant cannot be administratively closed until the past due audit is received. If an audit report is owed but not past due, the administrative closeout can proceed. Final closeout will not occur until all required audits are received.

Upon receipt of a closeout, the staff will complete an examination of the closeout documents:

- Audit Findings (there can be no open audit findings).
- CDBG Funds on Hand (cannot exceed $5,000 and must be properly reflected in the closeout documents).
- Monitoring (there can be no open findings).
- Program Income (were funds returned). Unless otherwise authorized, all program income must be returned to the DEO Disaster Recovery Unit.
- Proper Disposition of Acquired Property.
- Meeting all Special Requirements (i.e., map and certification statement).
- Final Engineering Certification (Certification is required for all public infrastructure activities paid for with CDBG funds. The Certification of Completion must be executed by a licensed professional engineer and must state that the activity meets design specifications as may have been modified by change orders.)

The Office of Disaster Recovery will respond to a closeout request by notifying the subrecipient by mail and identifying any issues that must be resolved before the Office of Disaster Recovery will mail Notice of Outstanding Closeout Issues letter identifying these issues and the actions needed to resolve them.

Upon receipt and acceptance of the subrecipient’s final audit required under 2 CFR Part 200, for a subrecipient that has already been administratively closed, Office of Disaster Recovery will send the subrecipient a Notice of Final Closeout letter. All audits must conform to the provisions of 2 CFR Part 200.
and the subrecipient requirements to be accepted by Office of Disaster Recovery. If there are any audit findings related to the CDBG subrecipient, these findings must be resolved before the subrecipient can be final closed.

**Procedure: Final Closeout**

An important part of the final closeout procedure is reviewing the Subgrantee and/or subrecipient’s audit. The subrecipient is responsible for mailing the audit to Office of Disaster Recovery. Once the audit is received, Office of Disaster Recovery staff will review the audit for findings and concerns related to the CDBG program. If there are none, final grant closeout will proceed.

If unresolved findings and concerns are noted in the audit review, Office of Disaster Recovery will contact the subrecipient and coordinate the resolution of the findings and concerns. Only after all findings and concerns are resolved may the final closeout be processed.

**1.18.3 Timeliness and Tracking of Expenditures**

DEO requires subrecipients to demonstrate that progress is being made to complete project activities and expend project funds in a timely fashion pursuant to Activity Work Plans. Completing and submitting Activity Work Plans are a requirement in the Sub-grant Agreement executed between DEO and the subrecipient. Subrecipients provide a detailed schedule for completion of activities and expenditure of grant funds. If the subrecipient does not comply with the Activity Work Plan schedule, a justification for the delay and a plan for timely accomplishment shall be submitted to DEO within 21 calendar days of discovery of the delay. Any project for which the subrecipient has not completed activities and expenditures listed in the Activity Work Plans may be rescinded unless DEO agrees that the subrecipient provided adequate justification for the delay. DEO will compare the Activity Work Plans submitted as part of the award agreement to Monthly Progress Reports and Request for Funds as additional tools to monitor timeliness.

**1.19 Financial Audit**

**1.19.1 Overview**

The Subgrantee and/or subrecipient is responsible for conducting a federal single or program specific audit in accordance with 2 CFR Part 200 or an attestation statement that a single audit is not required using the Audit Certification Memo, DEO Form SC-47. A federal Single Audit is required if the Subgrantee and/or subrecipient has expended $750,000 in total federal assistance in the fiscal year. The total federal assistance includes all direct or indirect funds received from a federal agency; not just funding from the CDBG-Disaster Recovery program. For subrecipient local governments the fiscal year is from October 1 to September 30.

Within sixty (60) calendar days of the close of the fiscal year, on an annual basis, the Subgrantee and/or subrecipient shall electronically submit a completed Audit Compliance Certification to audit@deo.myflorida.com. The subgrantees timely submittal of one completed Audit Compliance Certification for each applicable fiscal year will fulfill this requirement within all agreements (e.g., contracts, grants, memorandums of understanding, memorandums of agreement, economic incentive award agreements, etc.) between DEO and the Subgrantee. This form is in addition to the Audit Certification Memo, Form SC-47, that must be sent to DEO if an audit is not required because the local
The forms referenced are available online at www.FloridaJobs.org/CDBGRecipientInfo or upon request from DEO’s grant manager.

An annual federal Single Audit under 2 CFR 200 or an attestation statement (Audit Certification Memo, Form SC-47) that a Single Audit is not required, must be submitted electronically from each Subgrantee and/or subrecipient by June 30 following the end of each fiscal year in which the Subgrantee had an open CDBG-DR sub-grant to DEO’s grant manager.

The DEO disaster recovery grant manager for the local government submitting the audit reviews the audit to determine if there are any findings related to the disaster recovery sub-grant awarded to the local government. If there are any findings, the grant manager coordinates with the local government to resolve the findings and issue a management decision letter outlining the corrective actions undertaken to clear the finding. The due date for the management decision letter is established by the DEO Audit and Monitoring Office. For any findings that cannot be resolved in time to meet the management decision due date, the grant manager will coordinate with the Audit and Monitoring Office for advice on how to proceed.

1.20 Grant Closeout

After all the activities are completed and all the subrecipient agreements are final closed, the Office of Disaster Recovery can closeout the grant with HUD. The Grant Accounting Office completes and signs Standard Form 424 (Federal Financial Report) and completes HUD Form 40153 (State CDBG-Closeout Checklist). Form 40153 is signed by the DEO Executive Director or authorized designee. These forms, as well as all attachments, are mailed to the:

Director, Community Planning and Development Division, 4HD
Charles Bennett Federal Building
U.S. Department of Housing and Urban Development
400 West Bay Street, Suite 1015
Jacksonville, Florida
or as specified by HUD
2.1 Overview

All Rebuild Florida programs, funded through CDBG-DR programs, are subject to the requirements provided for in Federal Register Notices Vol. 83, No. 28 (February 9, 2018) and Vol. 83, No. 157 (August 14, 2018). DEO will encourage subrecipients to leverage CDBG-DR funds with funding provided by other federal, state, local, private, and nonprofit sources to utilize the limited CDBG-DR funds. However, the leveraged funds must be in accordance with The Robert T. Stafford Act to ensure that no individual receives duplication of benefits for the same purpose and/or effect to recover from Hurricane Irma.

2.1.1 Presidentially-Declared County

All activities must be in a Presidentially-declared county that is eligible for assistance under FEMA declaration 4337 for Hurricane Irma as amended in Federal Register, Vol. 83, No. 157, published Tuesday, August 14, 2018, the Program will use 80 percent of the allocation to address unmet needs within the HUD-identified Most Impacted and Distressed (MID) areas. This 80 percent MID area identified in the first allocation of funding is limited to Brevard, Broward, Clay, Collier, Duval, Hillsborough, Lee, Miami-Dade, Monroe, Orange, Osceola, Palm Beach, Polk, St. Lucie, Volusia counties as well as ZIP codes 32084, 32091, 32136, 32145, 32771, 33440, 33523, 33825, 33870, 33935, 34266 and the jurisdictions within the counties.

2.1.2 Mitigation Measures

DEO will encourage subrecipients to incorporate preparedness and mitigation measures into rebuilding activities. This helps to ensure that communities build back safer and stronger than prior to the disaster. Incorporation of these measures also reduces costs in recovering from future disasters. Mitigation measures that are not incorporated into those rebuilding activities must be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure.

2.1.3 Ineligible Activities

Ineligible activities identified in the Federal Register, Vol. 83, No. 28, Friday, February 9, 2018, include the use of CDBG-DR for forced mortgage payoff, construction of a dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974 and allowed by waiver.

2.1.4 Use of Urgent Need

The Unmet Needs Assessment documents unmet need in housing, infrastructure, and economy throughout the impacted areas. The state will seek to meet the requirement that 70 percent of funds are utilized for Low-and-Moderate (LMI) income families. Program activities are presumed to meet the use of Urgent Need as a national objective if they occur in the sectors and regions, particularly for housing and infrastructure activities, that were impacted as documented in the Unmet Needs Assessment. However, the state will first seek to determine if the activity meets the LMI national objective before utilizing the Urgent Need national objective.

Pursuant to the Federal Register, Volume 83, No. 28, February 9, 2018 the CDBG certification requirements for documentation of urgent need, located at 24 CFR 570.483(d), are waived and replaced
with an alternative requirement. Formal certification statements to qualify an activity as meeting the urgent need national objective is no longer needed. Instead DEO and subrecipients will document how each program and/or activity funded under the urgent need national objective responds to a disaster-related impact.

The Program will ensure, as is required and identified in the Federal Register, that at least 70 percent of the entire CDBG Disaster Recovery grant award will be used for activities that benefit low- and moderate-income persons. Alternatively, the activity may be located in a State-MID designated area that received a Presidential disaster declaration in response to Hurricane Irma.

Once the MID-designated areas funding priorities have been met and should there still be an availability of grant funds, recovery assistance will be made available to other counties (and municipalities within those counties) that received FEMA Individual Assistance (IA) declarations in addition to their Public Assistance (PA) declaration. The following counties received both IA and PA assistance:

<table>
<thead>
<tr>
<th>Florida IA and PA Declared Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alachua</td>
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<tr>
<td>Baker</td>
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<tr>
<td>Bradford</td>
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<td>Brevard*</td>
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<td>DeSoto</td>
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<tr>
<td>Dixie</td>
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<tr>
<td>Duval*</td>
</tr>
</tbody>
</table>

*HUD-designated MID Areas
Housing Activities

2.2 Housing Repair and Replacement Program (HRRP)

National Objective
The national objective that is approved for this program is to benefit Low- and moderate-income or Urgent Need households.

Responsible Entity for Administering
The Florida Department of Economic Opportunity.

Program Requirements
Eligible Applicants include Homeowners and owners of rental properties, including PHAs, whose primary residence sustained damage from Hurricane Irma and property owners of rental housing.

The state will prioritize homeowner applicants earning less than or equal to 80 percent AMI and rental property owners whose rental property serves LMI individuals. If this need is fulfilled, DEO may address applicants earning greater than 80 percent AMI. Special consideration may be given to the Florida Keys on a case-by-case basis. CDBG-DR assistance is prohibited under Federal Register (FR-6109-N-01) if:

- (a) the combined household income is greater than 120 percent AMI or the national median;
- (b) the property was located in a flood plain at the time of the disaster; and
- (c) the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

DEO housing repair program will serve primary resident homeowners and owners of rental property in HUD and state-identified most impacted and distressed counties. Property owners must prove Irma storm damage to qualify for repair, reconstruction or replacement assistance. The following additional eligibility criteria apply:

A. Home was impacted by Irma (DR-4337). The property must have documented damage because of the declared disaster. Home repair needs will be documented by FEMA, SBA, and/or a privately contracted inspection.

B. The state will prioritize homeowner applicants earning less than or equal to 80 percent AMI and rental property owners whose rental property serves LMI individuals. If this need is fulfilled, DEO may address applicants earning greater than 80 percent AMI.

C. All applicants must own a single-family home, mobile/manufactured home, or rental property located within Brevard, Broward, Clay, Collier, Duval, Hillsborough, Lee, Miami-Dade, Monroe, Orange, Osceola, Palm Beach, Polk, St. Lucie and Volusia counties; and 11 separate ZIP codes outside of these areas (32084 and 32145 in St. Johns County, 32091 in Bradford County, 32136 in Flagler County, 32771 in Seminole County, 33935 and 33440 in Hendry County, 33523 in Pasco County, 33825 and 33870 in Highlands County and 34266 in DeSoto County) prior to the Irma storm event. Note that 80% of funding must be spent in the HUD-designated MID counties and ZIP codes. The remaining 20% of the funds may be spent outside of the MID-designated areas that also received a Presidential Disaster Declaration.
D. Households that make above 120 percent of the area median income and are in the flood zone that failed to maintain flood insurance at the time of the hurricane will not be eligible to receive funding to rehabilitate or rebuild their home.

2.2.1 Types of Assistance Offered

Repair may be offered to applicants based on the extent of damage to the housing structure. Hurricane Irma’s impacts resulted in significant damage to residential housing in the State of Florida, including many residents who live in Mobile Home Units. Mobile Home Unit owners disproportionately represent very low to low income residents and vulnerable populations such as the elderly. Rebuild Florida’s Housing Repair and Replacement Program allows for the replacement of Mobile Home Units for eligible recipients through Florida licensed Mobile Home contractors. These contractors do not generally overlap with contractors used to repair or reconstruct modular or traditional site built homes, allowing for Mobile Home Unit replacements to be conducted without impacting the ability or time frames to repair or reconstruct other homes. Therefore, Rebuild Florida’s program office will process these units in a separate line and proceed with the replacement of mobile home units as those unit are determined eligible.

Replacement of Mobile/Manufactured Housing Units (MHUs) will be limited to situations where local zoning/building permits or federal requirements, such as environmental regulations, will allow the replacement of the original, hurricane-damaged structure with a like structure.

Reconstruction may be offered where repair costs exceed Program determinations of cost reasonableness. If the home is located in a floodplain, the Program may also pay for one year of flood insurance.

This Program does not pay for like-for-like replacement. The Program will offer standard, basic amenities to make a home decent, safe, and sanitary and all improvements will be assessed for compliance with HUD Section 8 Existing Housing Quality Standards (HQS) and local building codes. Standard appliances that are not functioning at the time of inspection such as refrigerators, stoves, and/or ovens may be replaced. Luxury items, including but not limited to, granite (or other high-end) countertops, high-end appliances, stone flooring, garage door openers, security systems, swimming pools, fences, and television satellite dishes are not eligible. Washing machines and dryers are not eligible for replacement.

Cost-effective energy measures and improvements that meet local zoning and code, Decent Safe and Sanitary (DSS), or required HQS, especially those improvements which add enhanced resilience, such as elevation of major electrical components, roof strapping, and other items are eligible.

Mobile Home Unit Relocation

Replacement Mobile Home Unit (MHU) relocations are limited to applicants whose damaged MHU is located on leased property and whose (1) landlord/property owner will not allow for a replacement MHU to be placed on that property or (2) leased property is in a floodplain with an elevation requiring a modular home instead of mobile home. Relocation of a replacement MHU is restricted to the installation of a new unit which is outside of a floodway or Special Flood Hazard Area (SFHA, or “floodplain”) at an established mobile home park or other leased land with an existing pad and utility infrastructure within HUD or state identified Most Impacted and Distressed areas.

The program will require documentation that the established mobile home park or leased land has the requisite existing pad and utility requirements. An applicant provided letter from the landlord/property owner notating existing pad and utilities, occupational license, copies of sewage and utility bills, or other permitting issued by the local jurisdiction may serve as verification documentation in conjunction with photographs of the existing pad and utility hookups.
If the new site is located within an established mobile home park, the applicant must provide the program with copies of the park’s covenants and restrictions in addition to the above-mentioned documentation.

**Environmental Review Record**

An Environmental Review Record (ERR) must be completed on the original damaged site and the new site on which the new unit will be installed for applicants of an MHU relocation. Thus, in addition to the completed ERR on the original damaged site, the Housing Repair and Replacement Program will conduct an environmental review on the newly selected lot. In order for the program to assess the new location the applicant must have one of the following: a lease agreement for leased land or; an agreement to hold the leased lot or; a purchase agreement / deed for owned land in place at the new location. Copies of lease, agreement to hold or ownership documentation must be submitted to the program prior to the program scheduling an ERR at the new site.

**New Site Requirements**

The site of the new MHU must be either an existing mobile home park with an existing pad and utility infrastructure for the MHU installation or leased land with an existing pad and utility infrastructure for the MHU installation. The program will not fund new site development of any kind. For the purposes of this policy, new site development includes, but is not limited to:

- Site clearing
- Site leveling
- Pad preparation
- Concrete or other substrate installation
- Utility and sewerage infrastructure installation

As the leased property will be located outside of the floodplain for the new MHU, no elevation or additional flood insurance considerations are necessary to comply with the program requirements.

**Damaged MHU Title Requirement**

Damaged Mobile/Manufactured Housing Units (MHUs) eligible for replacement must A) have a title in hand and uploaded to Salesforce and B) the title must be free of liens in order to begin demolition on the damaged mobile home. Contractors are not able to pull a demolition permit on the damaged MHU if there are outstanding liens against the damaged MHU title.

It is ultimately the responsibility of the applicant to ensure that any lien on their mobile home is satisfied (i.e., released by lienholder generally through payment). However, the Program may play a role in assisting applicants in the process by providing a mechanism with which the lienholder can give consent to demolish the damaged mobile home, and the lien will be transferred to the replacement mobile home. This process is guided by the Florida Department of Motor Vehicles under Title Certificates (Fla. Stat. § 319).
Lien Satisfaction Verification

Intake specialists must conduct due diligence for all MHU titles to ensure the titles are free of liens. This due diligence is completed by reviewing the MHU title on the Florida Department of Highway Safety and Motor Vehicles (DHSMV) website to confirm that no lien exists on the mobile home. Lien satisfaction can be verified on https://services.flhsmv.gov/MVCheckWeb/. Intake Specialist should adhere to the following steps for lien satisfaction verification:

1. Locate the VIN on Title.
2. The intake specialist should visit .
3. Enter the VIN of the MHU and human verification.
4. Verify Lien Status by examining the “Lien Information” box on the website.
   - If the receipt date is present or no information is listed under the lien information name column, then no lien exists on the MHU
   - If lien information but no receipt date is listed, then the MHU has a lien against it.
   - If an applicant presents a “satisfaction of lien” receipt, but the lien information is still present and no receipt date is listed, the lien is still present, according to Program policy. Intake Specialists should advise the applicant to contact their tax collector to update their MHU information. Once updated, the Program can continue with the application.
   - Applicant with a lien on their MHU should be processed under the next section, “Lienholder Consent for Lien Transfer.”
5. Save the verification page and upload it to the System of Record.

Lienholder Consent for Lien Transfer

If there is a lien on the MHU that cannot be satisfied, the lien on the title can be transferred only with lienholder consent. The program will not demolish or replace a damaged mobile home without the lienholder’s consent. Applicants should be provided the MHU Lienholder Consent Form to their lienholder (e.g., mortgage company). This form is part of the ownership eligibility requirements for MHU homeowners eligible for replacement with lien(s) on their MHU.

The Consent Form explains the need for the title and requests consent from the lienholder to demolish the damaged MHU. The following information is requested, which will be included on the title for the replacement MHU.
   - Lienholder name
   - Address
   - Phone number
   - Lien/Account/Identification/etc.

If the MHU homeowner cannot obtain consent from the lienholder, the lien will have to be satisfied before construction can continue (see previous section on verification of lien satisfaction). Failure to provide a title or receive consent will make the application inactive and lead to eventual closure of the application.
Lien Transfer Responsibility
The contractor assigned to the project will transfer the lien information to the title on the replacement MHU and send the title to the lienholder at the address provided. This is included in the scope of work bid accepted by the Program.

Inactive Status
The construction process will be put on hold until a cleared title is received. Should an applicant never obtain an MHU title free of liens or to submit to the Program, the application will be placed in inactive status and lead to eventual closure of the application following the Program’s due diligence process.

Temporary Housing Assistance Benefit (THAB)

As a general rule, Rebuild Florida’s Housing Repair and Replacement Program (HRRP) will not provide temporary relocation assistance to applicants who will be required to vacate their property during construction activities. This is a voluntary program and applicants are made aware of program policies at the time of application; the temporary relocation requirement will be the applicant’s responsibility.

DEO’s Rebuild Florida program recognizes that some HRRP beneficiaries, particularly those of modest means and with vulnerable household members, may face financial cash flow challenges caused by the additional interim housing costs that may be necessary during the repair or reconstruction process. Temporary housing assistance is not to be offered to applicants; it is available for consideration at the request of an applicant. Rebuild Florida may provide temporary housing assistance to homeowner applicants experiencing hardship, on a case-by-case basis.

Demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship, nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case. If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with program policies, then they may present their evidence of a demonstrable hardship to their Intake Specialist and request temporary housing assistance. The Program will evaluate temporary housing requests on a case-by-case basis after review of all of the circumstances.

This procedure identifies how this process will be implemented to identify appropriate cases for temporary housing assistance.

To avoid displacement and homelessness, the Rebuild Florida has developed the Temporary Housing Assistance Benefit (THAB) to provide additional assistance for homeowners who are experiencing a financial hardship that are participating in the HRRP, where the homeowner has been approved for rehabilitation or reconstruction assistance and the Homeowner Grant Agreement has been signed by the homeowner, until repairs to their damaged homes are completed. The THAB provides assistance under Rebuild Florida’s HRRP for unmet needs related to eligible short-term lodging expenses, for up to 6 months, provided the household is at or below 120% AMI and is a beneficiary also receiving assistance.
for the rehabilitation, reconstruction or replacement of their Irma damaged property.

The THAB is a housing assistance benefit not directly resulting in the rehabilitation, replacement or reconstruction of a home. Therefore, THAB does not count against the program cap for rehabilitation, replacement or reconstruction of the home. The program construction cap identified in the Action Plan applies to hard and soft construction costs associated with the Irma repairs. THAB will be capped at a maximum of $20,000.00 in Program sponsored payments. Construction delays for which the DEO assigned construction contractor is responsible may result in contractor responsibility for provisions of additional housing assistance, and this additional assistance is not limited by the THAB cap.

Homeowners who choose to stay with friends or family in lieu of staying in a hotel or a short-term leased apartment are not eligible for THAB payments. Further, any homeowner who initially utilizes THAB assistance for hotel and subsequently abandons the temporary housing situation to stay with friends or family will have all future THAB payments terminated.

**THAB Policy**

The Temporary Housing Assistance Benefit (THAB) allows short-term lodging in the form of temporary hotel assistance for up to 90 days. Reevaluation for continued assistance is available on a case-by-case basis following extenuating circumstances. This may be available for eligible HRRP homeowners who:

1. Have household incomes at or below 120% AMI;

2. Have executed a Rebuild Florida HRRP grant agreement (in Award status) but construction has not been completed;

3. Require temporary housing due to other circumstances of hardship, as approved by the Florida Department of Economic Opportunity (DEO), including temporary displacement that requires that the damaged home be vacated for safety and other reasonable measures during construction; and

4. Will stay in a hotel, motel, or extended stay hotel, unless alternative arrangements are needed due to excessive length of displacement.

**THAB Eligibility**

In addition to the criteria listed above, the following eligibility criteria also applies:

- Must be an active applicant in the HRRP. “Active” participants are defined as HRRP homeowners who are post-closing, meaning have executed their Homeowner Grant Agreement (HGA) grant. This means that the THAB will only be provided for applicants in the active construction phase.

- Homeowner cannot receive concurrent temporary lodging or rental assistance from other governmental or charitable organization that would cause a duplicative benefit.

- If the homeowner received any rental assistance from FEMA, Tenant-Based Rental Assistance (TBRA), Project-Based Rental Assistance (PBRA), or Section 8 Housing, the funding must have
been exhausted prior to provision of CDBG-DR THAB funds.

- Funds must be used for lodging and cannot be used for any other purpose.

The THAB is not a duplication of benefits to housing rehabilitation, repair or reconstruction funds, as it constitutes a separate and distinct eligible activity.

**THAB Assistance Types**

The THAB is dependent on the homeowner’s needs, which will be identified and confirmed by Rebuild Florida HRRP intake specialists to determine the best and most reasonable options available to homeowners. The THAB may be provided in the form of temporary lodging in units such as hotels, motels or extended stay hotels, intended not to exceed 90 days. The benefit will be calculated based on the Government Services Agency (GSA) lodging rates for the homeowner’s area. GSA rates can be found at https://www.gsa.gov/travel/plan-book/per-diem-rates.

1. Temporary Hotel Assistance: In order to avoid homelessness and undue financial burden, some homeowners may need temporary hotel assistance (estimated not to exceed 90 days) to complete construction on their homes. The Program will provide funding to these households for temporary hotel lodging for up to 90 days until construction is complete.

2. Extended Temporary Hotel Assistance: In the event that the construction contractor notifies DEO that the project will exceed the original schedule and a homeowner will not be able to reoccupy his or her home due to construction timelines that exceed the initial 90 day assistance, an extension of benefits may be issued to prevent homelessness or additional undue financial burden. The length of extension will be determined based on a new estimated timeline from the construction contractor. Extended Temporary Hotel Assistance requires prior Program approval on a case-by-case basis following substantiated extenuating circumstances.

3. Alternative Lodging Assistance: In cases where the duration of estimated displacement exceeds 90 days or other extenuation factors, alternative lodging (i.e., lodging alternative to hotel, motel, extended stay hotel) may be approved on a case-by-case basis.

**THAB Maximum Benefit**

The THAB covers 100% of the hotel, motel or extended stay hotel daily or monthly rate, as noted below, without a percentage cost share required from the homeowner. The benefit is capped at a maximum of $20,000.00. This maximum may be waived in areas with spiking rates, as defined by the General Services Administration (GSA) publication, with approval on a case-by-case basis.

**Temporary Hotel Assistance**: The maximum benefit amount is calculated based on federal GSA lodging rates (https://www.gsa.gov/travel/plan-book/per-diem-rates) and subject to the construction contractor’s estimated project timeline.

- **Hotel, Motel or Extended Stay Location**: Temporary hotel assistance will be located within 15 miles of the damaged home, unless due to availability or other critical issues, HRRP approves assistance outside 15 miles. The applicant will have the option to choose from up to three (3) hotel locations provided by
the Program.

• **Number of Hotel Rooms:** The appropriate number and type of room(s) will be provided based on household size as indicated on the HRRP application and maximum occupancy per room set by the hotel.

• **Length of Time:** Hotel assistance is limited to the completion of construction activities up to 90 days. Extensions to this time limit will be considered on a case-by-case basis, when there are extenuating circumstances.

**Alternative Assistance:** The maximum benefit amount for alternative assistance, if deemed necessary because of excessive time of displacement or other extenuating circumstances, is calculated based on federal guidelines for the selected alternative. All other provisions under temporary hotel assistance, above, apply.

**NOTE:** Due to factors such as the percentage of adjustment and the administrative burden of making programmatic adjustments mid-way through a program, DEO may adjust the maximum amount per month a household is eligible to receive if federal rates are adjusted.

**Temporary Housing Assistance Benefit Process**

* motel or extended stay hotels may be substituted based on length of need.
Request for Temporary Housing Assistance Benefit

THAB is not available nor offered to all applicants. THAB is only available to applicants who are in Award status and in demonstrable hardship scenarios. THAB is reserved to prevent homelessness during periods of time when household members cannot remain in their homes due to Program construction activities. In the course of establishing a timeline for rehabilitation or reconstruction, the Intake Specialist should inquire whether the applicant has made or can make arrangements for temporary lodging (e.g., friends, family, hotel, etc.), should they be required to vacate the residence.

- If the applicant has made, or is in the process of making, lodging arrangements (e.g., hotel accommodations, staying with friends or family, etc.), then THAB should not be recommended.

- If the applicant cannot make lodging arrangements and describes a hardship scenario, the intake specialist should inform them of the THAB and have them complete page 1 of the Rental Assistance Self-Certification Form (Appendix A) for Program consideration.

Determination of Eligibility

A Rental Assistance Self-Certification Form must be completed by the applicant with supporting hardship documentation and submitted to the Program for consideration. An Intake Specialist must then save the documentation using the naming convention of accountID_THAB_SelfCertForm, upload it to Salesforce, and submit the request to the IEM THAB Lead at temporaryhousing@rebuildflorida.gov for review. The IEM THAB Lead will review the submitted documentation and make an initial eligibility determination (i.e., if the applicant is in award status at minimum).

In Salesforce, this is confirmed by checking the status of the applicant:

Once initial eligibility is determined, the IEM THAB Lead will complete the Temporary Housing Assistance Worksheet (Appendix A) using the naming convention of account ID THAB_THAWksht and upload it to Salesforce. All submitted request will be recorded by the IEM THAB Lead on the Temporary Housing Tracking Excel file located in SharePoint > Policies > Temporary Housing.

Completed Rental Assistance Self-Certification Form with attached documents and Temporary Housing Assistance Worksheet will be sent to DEO by the IEM THAB lead for final temporary housing determination.

Maintenance of THAB Records
Application and documentation materials sent in request for temporary housing should maintain their proper naming conventions and be maintained by the DEO THAB manager.

Approval
Applicants whose requests are denied will be sent a notice outlining reasons for denial along with information on nonprofit organizations in the area.

Applicants whose requests are approved will be provided with assistance in finding a hotel, motel, or extended stay hotel under the GSA rate and within a 15-mile radius from their damaged homes, if available. Housing will be provided for only the household members listed in the SoR and only for the length of time of required vacancy.

Selection of Hotel
THAB must be used at a facility doing business as a hotel, motel or extended stay hotel. Payment to a friend, family member or stranger to stay in that person’s home is prohibited. Proof of hotel occupancy will be required/verified.

Program staff will identify three hotels under the GSA maximum rate for the county, and then coordinate with applicants to find the most suitable accommodations within a 15-mile radius from the applicant’s damaged residence. Program staff should then set reservations for the applicant’s selected hotel for the term established based on the contractor’s projected timeline, as described above, using the prescribed purchasing card for payment method (described further below).

Particular considerations should be made for applicants with children in school or applicants who rely on services for transportation and medical services in order to minimize disruption to daily routines.

The three hotel options should be presented to the applicant for final decision. Once the applicant selects the hotel, THAB representative should make the reservation using the approved purchasing card and submit required forms (e.g., hotel credit card authorization form).

Payment of Benefit
The short-term lodging assistance received through THAB is paid directly to the hotel, motel, or extended stay hotel and charged by the hotel automatically, based on hotel policy. The total benefit payment amount is calculated based on the hotel nightly rate, including taxes (and other approved fees as required) and the contractor’s projected timeline to completion once the applicant has vacated the property.

Costs included in the temporary housing benefit
Nightly rate of hotel, motel, or extended stay hotel, including taxes, not to exceed GSA rates unless approved on a case-by-case basis.

Costs generally not included, but considered if required
Parking fees, resort fees, and other fees associated with the stay at the hotel should be avoided in the hotel selection process. However, these costs will be considered if all available lodging requires the application of these fees.

**Prohibited costs**
Additional costs not immediately associated with the applicant’s stay in the hotel will not be covered by temporary housing benefit. These include but are not limited to:

- Room service, food, or beverage chargeable to the room to include mini-bar, snacks, bottled water, etc.
- Early check-in or late check-out fees
- Safe fee
- Wi-Fi fee
- Gym fee
- Gratuity for housekeeping, bell service, spa, etc.
- Telephone surcharge
- Pet fees
- Additional person fee
  - Note: the hotel reservation will be made according to the number of people listed as living in the household. No additional persons are permitted to reside in temporary housing.
- Vandalism/destruction of property
  - Note: this may result in loss of further benefit

THAB funds are only available to assist with lodging costs going forward and may not be used as a reimbursement for previously paid or incurred costs.

NOTE: Alternative temporary housing may be approved in order to reduce the cost of excessive length of displacement. Payment for alternative housing must be outlined in advance of alternative housing approval, with payment dates detailed in the temporary housing request tracking worksheet.

Upon approval of THAB request, the homeowner must vacate the damaged home within 14 days.

**Managing Housing and Payments**
The temporary housing tracking worksheet manages requests, timelines, and payments of requests for THAB. Generally, hotel payments are made directly to the hotel, motel, or extended stay hotel and charged automatically to the approved purchasing card. Therefore, those housing payments do not need to be managed via the temporary housing tracking workbook. However, in the event alternative housing is required where payments are not issued automatically with a purchasing card, the temporary housing tracking workbook should be used to ensure timely issuance of payment.

**Extension of Benefit**
If the reconstruction or rehabilitation may extend beyond the initial estimate, applicants can apply for an extension of temporary housing. Intake specialists who receive questions about extensions should direct those to temporaryhousing@rebuildflorida.gov.
The Construction Delay or Extension Worksheet will be completed, named accountID_THAB_ConstrExtenWksht and forwarded to DEO for approval. All costs above the $20,000 cap resulting from construction delay will be incurred by the contractor.

Other extension requests, not related to contractor delay will be assessed on a case-by-case basis.

Termination or Discontinuation of Assistance
THAB is only provided to homeowners who have been evaluated and found to be eligible for the Rebuild Florida Housing Repair and Replacement Program. DEO does recognize that there may be unforeseen circumstances that cause a homeowner to withdraw, become inactive or later be disqualified, after the eligibility determination and after the homeowner has agreed to proceed in the program. Though rare, these situations may occur.

- Should an eligible homeowner who has received or is receiving THAB assistance withdraw, become inactive or disqualified, THAB assistance must cease immediately upon such determination by program staff. Additionally, any amount of money paid to the homeowner for THAB assistance must be returned by the homeowner to the Florida Department of Economic Opportunity.

- Acknowledging that there may be extenuating circumstances that result in a homeowner’s withdrawal or inactivity subsequent to his or her eligibility determination and agreement to participate in the program, DEO may allow an exception to the repayment policy with documented proof of and acceptance by DEO of the hardship. Policies and procedures for THAB will be updated, as needed, as the program evolves, and unforeseen situations arise.

- The program will discontinue temporary housing assistance if a homeowner is post-closing (has executed their grant agreement) and fails to move out of the property in a timely manner to allow construction activities to begin.

- If a homeowner is negligent or causes damage to the temporary lodging, the HRRP will immediately notify the homeowner and terminate assistance. The homeowner will be responsible for the cost of all damages.

- When the homeowner’s home passes final inspection, the homeowner is expected to move out at that time and reoccupy his or her home. No additional payments for THAB will be allowed after the date of a passed final inspection.

- If the homeowner chooses to stay with friends or family in lieu of staying in a hotel, the homeowner is not eligible for THAB payments. Terminating occupancy of a hotel to stay with family or friends will result in termination of payments.

Upon notice of any of the above conditions, THAB recipients should be immediately provided with a Termination of Temporary Housing Notice (Appendix A) along with instructions for appeal.
2.2.2 Accessibility/Disability Accommodations

Applicants with special needs or special accommodation requirements (disabled) are considered a prioritized vulnerability factor within the Program. During eligibility review, applicants must provide documentation substantiating the disability. However, not every disability documented through the disability eligibility threshold actually results in construction scope modification. For example, disability for a heart murmur or mental capacity would not likely result in the need for modified construction scope unless there was some compounding physical disability.

Once a disability is confirmed, the applicant may then request reasonable accommodation modifications. Physically disabled homeowners or homeowners with a disabled household member may be entitled to additional construction considerations such as roll-in showers, lowered countertops, pedestal sinks, bathroom grab bars, widened doorways, accessible toilets or other accessibility features that will assist with the individual’s functional needs. The program will assess eligibility for these features on a case-by-case basis by way of a completed Reasonable Accommodation Healthcare Verification Form and Request for Reasonable Accommodation Form. Awards may include expenses for additional costs related to accessibility modifications for the disabled.

Disability Eligibility Threshold

Applicants with a disability (or a household with a person with disabilities permanently residing in the household) must submit verification documentation through the following acceptable methods:

1) Social Security Disability Statement or;
2) Letter from doctor stating household member qualifies as disabled or;
3) Signed verification of disability form or;
4) a disability exemption on homesteaded property per Florida Statute 196.101.

In order to meet the disability eligibility threshold, any household member can qualify as disabled by virtue of the documents listed above. Without those, the Program cannot make a determination to qualify the application as having a disabled household member.

Request for Reasonable Accommodations

Once the disability eligibility threshold is established, Intake Specialists must provide applicants with both the Reasonable Accommodation Healthcare Verification Form and Request for Reasonable Accommodation Form for completion. Intake Specialists must notify specialized teams of reasonable accommodation requests.

Note: In the scenarios of an applicant utilizing the program provided Verification of Disability Form, Intake Specialists may provide the Reasonable Accommodation Healthcare Verification Form and Request for Reasonable Accommodation Form at the same time.

Pre-closing files that have not yet closed must be submitted to the Damage Assessment Team. The Damage Assessment Team will review the request and make the necessary edits to the Scope of Work Estimate (SWE). Post-closing files that have closed (signed Grant Agreement) must be submitted to the Construction who will review the request and make the necessary change order submittal. The change orders are subject to review by the DEO Exceptions Panel for a final determination.

Note: Please reference the Housing Repair and Replacement Program guidelines in Appendices A and B for Reasonable Accommodation Request forms.
2.2.3 Due Diligence Process

During the application process, a home or rental property owner is required to respond in a timely fashion with program requests for information/materials to complete the eligibility process. At no time should a request for additional information go unanswered beyond 30 working days. If the homeowner needs an extension, a clarification, or assistance, they may request assistance within the 30-day window. If the homeowner fails to provide the requested information/materials or fails to ask for an extension or assistance, their application will be considered on hold until the information is provided.

If a homeowner becomes unresponsive, the application will be moved into inactive status. “Unresponsive” is defined as the failure to answer or return three consecutive phone calls, and failure to respond to written requests within program timeframes. The program will notify an applicant via mail when we have attempted on at least three occasions to reach the applicant for additional information required to process an application or schedule an inspection of their property. The applicant will receive the following:

- 1st letter-Inactive Status Warning Letter
- 2nd letter-Notice of Inactive Status Letter
- Final letter-File Closure of Inactivity Letter

Closure of an application for unresponsiveness may be appealed once. If a successful appeal results in the reactivation of an application, subsequent closure for unresponsiveness is not appealable. An exception to the above is for clearance of title defects, death or illness of a homeowner, and may be determined on a case-by-case basis. Homeowners with title defects are provided up to one year to clear the defect. Monthly status reports of the progress being made to clear title may be requested of the homeowner. All attempts to contact the applicant will be documented in the system of record and each status letter will be uploaded.

2.2.4 Total Program Budget Breakdown

HRRP has a total budget of $346,186,147. DEO has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities. $240,402,400 will be set aside for the MIDs. Of this, the Florida Keys has a set aside of $50,000,000. When Federal Register Vol. 83, No. 157 (August 14, 2018) was released, HUD announced more communities to be classified as MIDs. Since the HRRP was already launching, DEO has set aside $51,856,347 for the newly added MIDs.

There is a max award of $150,000 per applicant. This max award may be adjusted if construction and elevation cost prove to be higher than originally estimated due to Hurricane Michael’s impact on the market.

2.2.5 HRRP Application Pilot Methodology

DEO will undertake a pilot initiative to examine the potential time savings and additional expenses that may result from a concurrent processing model, rather than a linear processing model.

The Application Pilot is a method of identifying a cohort of applicants in each impacted area that can be deliberately observed through the full HRRP process to identify and resolve issues prior to the bulk of the applicants getting into the full process. The close observance of the pilot cohort is intended to test initial process design and yield informed decisions to improve efficiencies as the rest of the applicant population comes into the workflow.
The pilot cohort will be processed concurrently for application, eligibility, damage assessment and environmental review prior to the feasibility, duplication of benefits and award steps. The simultaneous processing of these tasks will be allowed as activity delivery costs for the pilot group.

This dual-tracked process that results in the flagging of applications as either part of the Application Pilot or non-pilot will contribute to DEO’s ability to perform a real-time test of the program. The identified pilot cohort will have no impact on other applicants’ progress through the process. Any issues that DEO finds can be addressed and resolved to ensure smooth processing of the bulk, average and more complicated applications.

Applicants that are outside of the pilot group will also be processed at the same time the Application Pilot files are moving through the system. However, the applicants that are outside of the pilot group will follow the linear process path which requires completion of application prior to initial eligibility review, clearance of eligibility review prior to damage assessment, clearance of damage assessment prior to environmental review, clearance of environmental review prior to feasibility, duplication of benefits and award.

The pilot is intended to gauge the benefits and identify issues associated with a concurrent processing method. It will support an analysis of whether the most conservative linear model, the concurrent model, or some combination of the two processes will provide the best results for the Department of Economic Opportunity (DEO) and our Irma-affected citizens.

**Pilot Selection Process**

At the initial stage of applicant invitation, a group of applicants will be randomly selected within the Priority 1 invitation group based on property characteristics. DEO will process these applications by conducting the application completion, initial eligibility, damage assessment and environmental review steps at the same time. The rest of the Priority 1 population will continue normal processing under the linear model, which will require each step to be completed prior to the next step starting. This will allow DEO to maintain compliance with the stated prioritization schedule, as described in this Action Plan, while testing alternatives that could result in a reduced overall processing time.

Established conditions and assumptions underlying the test of the initial cohort:

- Only Phase I registrants are invited to apply
- Motivated registrants will complete their applications early
- Identified local VOADs will assist applicants to speed up their completion

Cohort screening criteria:

- From the original 10 counties or 4 ZIPS (Monroe, Miami-Dade, Duval, Lee, Polk, Collier, Brevard Broward, Orange and Volusia counties; 32068, 34266, 32136, and 32091 zip codes) (Tier 1 ERR complete)
- Insurance $0, FEMA $1-15000, SBA $0, NFIP $0 benefits
- Not in flood plain
- House built after 1978
- No Letter of Substantial Damage /No condemnation letter (Add into damaged section of application)
The only screening criteria used for the pilot cohort are those listed. No other attribute of the property or applicant were used to screen for pilot selection. Both owner-occupied as well as rental applicants were included in the screening. Registrant and applicant IDs were selected at random as long as the criteria listed were met, which maintained the integrity of the prioritization requirements outlined in this Action Plan.

The Application Pilot project timeframe is defined by the substantial completion of the pilot application group’s environmental review and submission of that documentation to the Department of Economic Opportunity.

**Application Pilot Selection**

From January 4 to January 11, 2019, the HRRP staff analyzed the registrant and applicant information to identify an initial group of applicants for the pilot cohort. There were 5,888 registrants qualified for Phase I, 1,745 applications started and 599 completed applications available for selection in the pilot cohort. The initial goal was to identify 10-20 applicants from each of the original HUD-designated MID communities and ultimately 220 applicants were selected.

Established conditions and assumptions underlying the test of the initial cohort:

1) Only phase I registrants are invited to apply
2) Motivated registrants will complete their applications early
3) Identified local VOADs will assist applicants to speed up their completion
4) Applications must be complete from applicants’ requirements

Cohort screening criteria on completed applications:

1) From the original 10 counties or 4 ZIPs (Tier 1 ERR complete)
2) Insurance $0, FEMA $1-15000, SBA $0, NFIP $0 benefits
3) Not in flood plain (with the exception of Monroe County)
4) House built after 1978
5) No Letter of Substantial Damage /No condemnation letter (Add into damaged section of application)
6) Repair program

On January 11, 2019, DEO expanded the pilot cohort criteria to test ability to motivate applicants who had started, but not yet completed their application and including applicants in Monroe County, a designated floodplain. At this time there were 5,989 Phase 1 registrations, 1904 applications started and 770 applications completed. An additional 200 applicants fitting this criterion were added to the cohort to test whether the simultaneous application, eligibility, damage assessment and environmental review process. The only screening criteria used for the pilot cohort are those listed above. No other attribute of the property or applicant were used to screen for pilot selection. Registrant and applicant IDs were selected at random as long as the criteria listed above were met.

**Application Pilot Timeframe**

The Application Pilot project timeframe is defined by the substantial completion of the pilot application group’s environmental review and submission of that documentation to the Department of Economic Opportunity. It began January 14, 2019 and was completed April 5, 2019.
Application Pilot Results

The tables below show the pilot population and the non-pilot populations as of April 5. A comparison of both tables clearly demonstrates that non-pilot applications continued to be processed for initial eligibility review at the same time as the pilot applications resulting in 99.3% of available non-pilot completed applications having been processed through that step at the same time that 100% of the pilot applications had achieved this status.

Table 1: Pilot Applicant Status as of April 5, 2019

<table>
<thead>
<tr>
<th>Task</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 Registrations (In Pilot)</td>
<td>415</td>
</tr>
<tr>
<td>Applications Started</td>
<td>369</td>
</tr>
<tr>
<td>Applications Completed</td>
<td>327</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>38</td>
</tr>
<tr>
<td>Applications Not Complete</td>
<td>50</td>
</tr>
<tr>
<td>Initial Eligibility Review Completed</td>
<td>354</td>
</tr>
<tr>
<td>Ineligible</td>
<td>4</td>
</tr>
<tr>
<td>Pending Documents</td>
<td>257</td>
</tr>
<tr>
<td>Verified Complete</td>
<td>93</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>0</td>
</tr>
<tr>
<td>Damage Assessments Ordered</td>
<td>415</td>
</tr>
<tr>
<td>Damage Assessment Completed</td>
<td>369</td>
</tr>
<tr>
<td>Environmental Review Ordered</td>
<td>415</td>
</tr>
<tr>
<td>Environmental Review Submitted to DEO</td>
<td>339</td>
</tr>
<tr>
<td>DOB Complete</td>
<td>154</td>
</tr>
<tr>
<td>Award Processing Status</td>
<td>10</td>
</tr>
<tr>
<td>Benefit Determination Notification</td>
<td>3</td>
</tr>
<tr>
<td>Contractor Procured</td>
<td>0</td>
</tr>
<tr>
<td>Award Calculation &amp; Notification</td>
<td>0</td>
</tr>
<tr>
<td>Construction NTP Issued</td>
<td>0</td>
</tr>
<tr>
<td>Construction Complete</td>
<td>0</td>
</tr>
<tr>
<td>Closeout</td>
<td>0</td>
</tr>
</tbody>
</table>
Table 2: Complete Population Status as of April 5, 2019

<table>
<thead>
<tr>
<th>Task</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 Registrations</td>
<td>8,656</td>
</tr>
<tr>
<td>Applications Started</td>
<td>3,097</td>
</tr>
<tr>
<td>Applications Completed</td>
<td>2,267</td>
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<tr>
<td>Withdrawn</td>
<td>38</td>
</tr>
<tr>
<td>Initial Eligibility Review Completed</td>
<td>2,251</td>
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<tr>
<td>Ineligible</td>
<td>41</td>
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<tr>
<td>Pending Documents</td>
<td>1,628</td>
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<tr>
<td>Verified Complete</td>
<td>581</td>
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<tr>
<td>Withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>Damage Assessments Ordered</td>
<td>563</td>
</tr>
<tr>
<td>Damage Assessment Completed</td>
<td>490</td>
</tr>
<tr>
<td>Environmental Review Ordered</td>
<td>415</td>
</tr>
<tr>
<td>Environmental Review Submitted to DEO</td>
<td>339</td>
</tr>
<tr>
<td>DOB Complete</td>
<td>154</td>
</tr>
<tr>
<td>Award Processing Status</td>
<td>10</td>
</tr>
<tr>
<td>Benefit Determination Notification</td>
<td>3</td>
</tr>
<tr>
<td>Contractor Procured</td>
<td>0</td>
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<tr>
<td>Award Calculation &amp; Notification</td>
<td>0</td>
</tr>
<tr>
<td>Construction NTP Issued</td>
<td>0</td>
</tr>
<tr>
<td>Construction Complete</td>
<td>0</td>
</tr>
<tr>
<td>Closeout</td>
<td>0</td>
</tr>
</tbody>
</table>

The final number of applicants that remained in the pilot program as of April 5 was 369. All 369 of these applicants participating have had the damage assessment and environmental review completed for submission to DEO. Of these 369 applicants, 45 still need to complete the application and 257 require additional documentation.

The average completion of both the damage assessment and environmental review was 15 days and 45 days respectively. This represents the gross calculation including scheduling delays with applicants. By removing scheduling delays (time necessary to contact applicant, applicant time needed prior to appointment) and assessing the net time for each task, damage assessments were completed within seven days and environmental reviews were completed within 25 days\(^1\) of applicant appointment.

The pilot process has shown that applicants who have not completed their applications were more apt to complete their applications when damage assessment and environmental review inspections were scheduled, keeping applicants engaged. By running these processes concurrently, the total processing time through environmental review had a gross average of 45 days to move into the next steps of DOB and feasibility. However, application completion is stymied by the need for additional documentation. The eligibility, benefit determination, award calculation and notification processes have demonstrated to be relatively swift processes, each taking about one day to complete. Likewise, the procurement process has proven efficient with a contractor procurement turnaround timeframe of just 10 days.

\(^1\) Fifteen days is the average net time achieved for applicants that did not require coordination with the State Historic Preservation Office (SHPO). The average for those requiring SHPO coordination was 45 days, which included preparation of the file for coordination and SHPO’s 30 day response window.
Applicants that are moving through the linear process also have similar rates of completion for damage assessment with an average net of seven days from inspection to completion of that work, but scheduling coordination for this step remains consistent with pilot applications resulting in a gross timeframe of 15 days. The verification required in the linear process, prior to ordering an environmental review is averaging 10 days. Based on this information, that is still limited at this time, the linear process is estimated to take an average of 75 days from application completion to submission of the environmental review, an increase of 30 days over the pilot group. The remaining processes are exactly the same for the non-pilot group as the pilot group and therefore are expected to yield similar results to the pilot applications that have moved through these processes.

2.2.6 Program Resources
Further information about the HRRP and its activities is available in the program specific guidelines such as:

- HRRP Single Family Housing Guidelines
- HRRP Rental Guidelines
- DEO’s Hurricane Irma Housing Repair and Replacement Program Desktop manual

2.3 Workforce Affordable Rental New Construction and Land Acquisition Programs

2.3.1 Workforce Affordable Rental New Construction Programs

National Objective
The national objective that is approved for this program is to benefit LMI households.

Responsible Entity for Administering
The Florida Housing Finance Corporation

Program Requirements
Eligible Applicants will include for-profit and nonprofit housing developers, and public housing authorities with experience developing and managing rental properties in size and scope of the proposed development. Local governments may partner with these entities in applying for these funds.

The proposed developments must help address the unmet need in the HUD-identified most-impacted and distressed areas, or other areas impacted by the storms and deemed as a priority by the State.

All developments funded will be required to meet the following criteria:

- Green Building Standards
- Energy Efficiency Standards
- Accessibility and Visitability Standards
- Resiliency Standards
2.3.1.2 Workforce Affordable Rental New Construction: Leveraging CDBG-DR Funds with Other Sources of Financing

Where appropriate in the HUD-identified most-impacted and distressed communities, CDBG-DR funds can be effectively leveraged with 4 percent Low Income Housing Tax Credits, local or state Tax-Exempt Bond Financing, 9 percent Low Income Housing Tax Credits in limited high-cost areas or other local financing to produce new affordable housing rental units. High-cost areas are locations where development costs are so high that a bond/non-competitive 4 percent LIHTC/CDBG-DR approach (or CDBG-DR alone) will not be enough. The primary leveraging of funds will be tax credits. The CDBG-DR funds will be provided as zero-interest forgivable loans to eligible private for-profit and nonprofit housing developers, and public housing authorities.

For units developed using funding under the minimum set aside in the Florida Keys, leveraging of CDBG-DR funds with other sources of financing to build larger developments is not always the best approach due to the unique land use issues in Monroe County. Therefore, in addition to traditional rental developments, other varied rental development types will be allowed and prioritized. These can include single family rental, scattered site rental developments and rental developments that are part of a Community Land Trust (CLT). For these developments, CDBG-DR funds may be used to provide stand-alone financing or may be the primary source of funds needed to finance the development.

Maximum subsidy limits will follow the applicable HOME Investment Partnership Program per-unit limits and will target low and moderate-income households. The units created under this program, at a minimum, will follow the established HOME Program Rent schedule or any other funding source used to finance the development with a more restrictive rent schedule and will be set-aside for the required CDBG-DR affordability period plus the longer affordability periods required by the additional financing source (such as FHFC or local Tax-Exempt Bonds and/or Low-Income Housing Tax Credits for example). In the event one program has less restrictive requirements, the more stringent program requirements will apply to ensure all requirements are met. To be considered for funding, eligible applicants will be required to show ability to proceed with construction, demonstrate experience in developing and managing affordable housing in size and scope of the proposed development and have a financing structure that leverages CDBG-DR funding. To ensure feasibility, the proposed development will be underwritten in accordance with underwriting standards in place at FHFC.

2.3.1.3 Workforce Affordable Rental New Construction: Funding for Small Rental Developments

It is not feasible to finance new rental development with Tax-Exempt Bond Financing in some areas of the State impacted by the storm; this is particularly true for smaller, less populated counties identified by HUD as the most-impacted and distressed areas. This is primarily due to the need for smaller properties where Tax-Exempt Bond financing is not cost effective. In these areas, CDBG-DR will be used to provide stand-alone or the primary source of funds needed to finance the development. CDBG-DR funds will be provided as zero-interest, forgivable loans.

Developments in this strategy will be 50 units or less to ensure project viability. Maximum subsidy limits will follow the applicable HOME Investment Partnership Program per-unit limits and will target low- and moderate-income households. The units created under this program, at a minimum, will follow the established HOME Program Rent schedule or any other funding source used to finance the development with a more restrictive rent schedule and will be set-aside for the required CDBG-DR affordability period plus an additional extended use period required by FHFC. In the event one program has less restrictive requirements, the more stringent program requirements will apply to ensure all requirements are met.
To be considered for funding, eligible applicants will be required to show ability to proceed with construction and demonstrate experience in developing affordable housing in size and scope of the proposed development. To ensure feasibility, the proposed development will be underwritten in accordance with underwriting standards in place at FHFC.

### 2.3.1.4 Total Program Budget Breakdown

**Workforce Affordable Rental New Construction: Leveraging CDBG-DR Funds with Other Sources of Financing**

The Workforce Affordable Rental New Construction: Leveraging CDBG-DR Funds with Other Sources of Financing program has a total budget of $100,000,000. DEO has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities. $80,000,000 will be set aside for the MIDs. Of this, the Florida Keys has a set aside of $20,000,000.

There is a max award of $8,000,000 per applicant.

**Workforce Affordable Rental New Construction: Funding for Small Rental Developments**

The Workforce Affordable Rental New Construction: Funding for Small Rental Developments program has a total budget of $20,000,000. DEO has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities. $16,000,000 will be set aside for the MIDs.

There is a max award of $5,000,000 per applicant.

### 2.3.1.5 Program Resources

Further information about the Workforce Affordable Rental New Construction Programs and activities are available in program specific guidelines such as:

- RFA Monroe County
- RFA for other MIDS
- Workforce Affordable Rental New Construction Program: Leveraging Other Sources of Financing Guidelines
- Workforce Affordable Rental New Construction Program: Small Rental Developments Guidelines

### 2.3.2 Land Acquisition for Affordable Workforce Housing

**National Objective**

The national objective that is approved for this program is to benefit LMI households.

**Responsible Entity for Administering**

The Florida Housing Finance Corporation (FHFC)

**Program Requirements**

Eligible Applicants will include for-profit and nonprofit housing developers, local governments and public housing authorities with experience developing and managing rental properties in similar size and scope of the proposed development.
The proposed purchase of land must help address the unmet needs in the HUD-identified most-impacted and distressed areas, or other areas impacted by the storms and deemed as a priority by the state.

**Type of Assistance Offered**

Funding to purchase land for the development of affordable housing is also needed to address the workforce housing needs in communities around the state. This is especially true in the Florida Keys and other areas of the state where scarcity of land drives up the cost and can make it difficult to develop properties that the workforce of a community can rent at an affordable rate. DEO, in partnership with FHFC, will manage a program that will provide funding for the purchase of land with a priority for formal public/private commitments to develop affordable housing. Properties will be underwritten to ensure the appropriate level subsidy is received. This program may be used to complement the Workforce Affordable Rental New Construction Programs to ensure that affordable housing needs can be met in areas where land is scarce. The land may be owned separately from the affordable housing developments and will be subject to deed restrictions to ensure long-term affordability. Applicants seeking construction funding must also apply for funds for land acquisition or document that own or have site control for an existing project site.

### 2.3.3 Total Program Budget Breakdown

The Land Acquisition for Affordable Workforce Housing program has a total budget of $20,000,000. DEO has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities. $16,000,000 will be set aside for the MIDs. Of this, the Florida Keys has a set aside of $10,000,000.

There is a max award of $5,000,000 per applicant.

### 2.3.4 Program Resources

Further information about the Land Acquisition Program and activities are available in program specific guidelines such as:

- Land Acquisition for Affordable Housing Program Guidelines

### 2.4 Voluntary Home Buyout Program

#### 2.4.1 National Objective

The national objective that is approved for this program is to benefit LMI. The properties acquired through buyouts will be used in a way that benefits all the residence in an area where at least 51 percent benefits all the residence are low-and moderate-income persons.

#### 2.4.2 Responsible Entity for Administering

Units of General Local Government (UGLG)

#### 2.4.3 Program Requirements

Eligible Applicants include counties and municipalities within those counties that received a declaration of both FEMA IA and PA after Hurricane Irma.

Buyout areas must result in a feasible project that will meet a Low Moderate Area benefit. The eligible property types are non-commercial properties, which may include owner-occupied structures, residential
rental properties, or vacant lots. To be considered an eligible property for the buyout, the property must satisfy at least one of the following requirements:

- The property is located within designated areas,
- The property is located outside of the designated areas and satisfies one of the following requirements:
  - The property is substantially damaged (51% or more of the pre-event market value of the structure is damaged), or
  - The property is considered a health/safety risk, or
  - The property is located within a floodway.

To be eligible, all full fee title of properties must be from a willing, voluntary seller. Committing to use eminent domain should the property owner choose not to participate is prohibited. It must be verified that the property is not needed as part of an intended planned project, such as roadways, flood gates, levees, etc. A property may not be subdivided prior to buyout except for portions outside the identified hazard area, such as a special flood hazard area or any risk zone identified by FEMA.

**2.4.4 Type of Assistance Offered**

Reducing the risk of flooding in residential areas is a priority for the State of Florida. The Florida Division of Emergency Management (FDEM) has recommended that all counties focus on acquisition of properties without flood insurance in Special Flood Hazard Areas. Recognizing this great need, DEO will create a voluntary home buyout program to encourage risk reduction through the acquisition of residential property in high flood risk areas. DEO will hire a contracted team to work with counties who are interested in pursuing the buyout projects to support and provide:

- Appraisals
- Title and legal services
- Homeowner counseling services
- Environmental review, and
- Related buyout processes.

Counties that are interested in participating will have two potential funding options for pursuing home buyout. The first option is to leverage CDBG-DR funding as match for projects that are also eligible for the Hazard Mitigation Grant Program (HMGP). The second option is to work directly with DEO on projects located in low- and moderate-income areas to buyout residential areas in support of permanent open space supporting green infrastructure or other floodplain management systems.

**2.4.5 Total Program Budget Breakdown**

The Voluntary Buyout Program has a total budget of $75,000,000. DEO has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities. $60,000,000 will be set aside for the MIDs. Of this, the Florida Keys has a set aside of $10,000,000.

There is a max award of $5,000,000 per applicant.
2.4.6 Program Resources

Further information about the Voluntary Home Buyout Program and its activities is available in the program specific guidelines such as:

- Voluntary Home Buyout Program Guidelines

Economic Revitalization Activities

2.5 Business Recovery Grant Program

National Objective

The national objective that is approved for this program is to benefit LMI or Urgent Need.

Responsible Entity for Administering

The Florida Department of Economic Opportunity

Program Requirements

Eligible Applicants include owners of both for-profit and nonprofit small businesses.

Small businesses and non-profits must have equipment and inventory damaged by Hurricane Irma.

Type of Assistance Offered

Small businesses are the lifeblood of local economies throughout the state. The diverse small businesses across Florida all create jobs, and support their communities, whether retail shops, restaurants, construction firms or fisheries. When small businesses suffer from disaster, it can have far reaching impacts. Damage to structures, equipment and inventory, combined with negative impacts on the customer base may lead to significant revenue and job losses, with negative impacts throughout a business’ employees and community. While many business owners have insurance for structures and some also carry insurance on building contents, events such as these can require these small business owners to apply for extended credit and loans, even exhaust their saving accounts to complete bare minimum repairs and replacements to ensure that they can keep the doors open. As shown in the unmet needs assessment, many small businesses across Florida, along with nonprofit organizations, were impacted by Hurricane Irma. To assist small businesses and non-profits fully recovering from the storm, DEO will create a Business Recovery Grant Program for eligible businesses and non-profits within the Hurricane Irma most impacted and distressed areas. DEO may select a subrecipient to administer this program who demonstrates the necessary experience supporting small businesses seeking federal funds and capacity to assist small businesses across the State of Florida. Subrecipient activities related to this program may include business grant application intake, application evaluation, disbursement of funds, and grant closing activities.

Grant funds must be used for CDBG-DR eligible uses only. This program is not a compensation program and does not compensate for revenue losses. Eligible uses of funds include, but are not limited to, equipment, furnishings, fixtures, inventory, mortgage payments, and lease space. Documentation of impacts from Hurricane Irma will be required. Grant funds may be used to meet a matching, cost sharing, or other contribution requirement for any other federal program when used to carry out an eligible CDBG-DR activity. Business Recovery Grant Program funds may be used to reimburse CDBG-DR eligible costs that were paid through loan proceeds from a subsidized loan program. Business Recovery Grant Program
funds may also be used for payment of interest due on subsidized loans, provided the interest is attributable to activities that are CDBG-DR eligible. Grant funds may not be used to pay fees or the portion of interest attributable to activities that are CDBG-DR ineligible. Eligible businesses and non-profits that receive an award from the Business Recovery Grant Program may be required to maintain flood insurance to ensure that CDBG-DR assisted properties are protected from future disasters. NFIP compliant flood insurance will be required for any equipment purchased over $5,000 for the life of the equipment or duration of the grant, if the business or non-profit is located inside the flood plain. Businesses impacted by Hurricane Irma may have experienced not only damage to their physical structure, equipment and inventory, but may continue to be affected by changes in the post-disaster economy. Even with loans, grants and other disaster assistance, businesses in impacted areas may continue to struggle. Businesses may require assistance adapting their business model and increasing their resiliency to ensure that when disaster assistance runs out, they will not only survive, but thrive. Ensuring the success of small businesses is essential to maintaining the local economy and supporting the complete recovery of communities. To provide resources in support of disaster impacted businesses, $6,000,000 in funds from the Business Recovery Grant Program will be utilized to implement a technical assistance program for small businesses and non-profits that have been impacted by Hurricane Irma. Priority will be given to businesses that have received a grant through the Business Recovery Grant Program. This technical assistance program may include seminars, consultations, and other forms of assistance relating to:

- Business management;
- Accessing capital;
- Developing new business models;
- Information about changes in specific regional markets;
- Accounting and financial management assistance;
- Marketing and sales; and
- Business continuity and resiliency measures.

Technical assistance services will be provided in English, Spanish, and Haitian Creole.

The $6,000,000 in funds set aside for the technical assistance portion of the Business Recovery Grant Program will be used to contract with a provider or providers to deliver technical assistance services. Florida will seek proposals from service providers, who will describe the services they can provide to impacted businesses and non-profits. The contracted provider(s) will deliver technical assistance to eligible small businesses and non-profits. No technical assistance funds will be paid directly to businesses or non-profits seeking to receive technical assistance.

The Business Recovery Grant Program will promote job creation, job retention, and income advancement for low and moderate-income individuals utilizing the low- and moderate-income benefit national objective. At least 50 percent of Business Recovery Grant Program funds will be used to meet the low- and moderate-income benefit national objective. The Business Recovery Grant Program will meet a public benefit standard in the aggregate of one job created or retained per $50,000 in assistance awarded; this requirement does not apply to technical assistance funds. All projects funded by the BRGP must meet an eligible national objective. The urgent need national objective will only be used if the project does not meet LMI requirements, but is needed to alleviate emergency conditions that pose a serious and immediate threat to the health or welfare of the community.
2.5.1 Total Program Budget Breakdown
The Business Recovery Grant Program has a total budget of $66,000,000.
Minimum Grant Award to a Business / Non-Profit: $25,000
Maximum Grant Award to a Business / Non-Profit: $500,000

2.5.2 Program Resources
Further information about the Business Recovery Grant Program and its activities is available in the program specific guidelines such as:

- Business Recovery Grant Program Guidelines

2.6 Workforce Recovery Training Program

National Objective
The national objective that is approved for this program is to benefit LMI.

Responsible Entity for Administering
The Florida Department of Economic Opportunity, CareerSource Florida, and Local Workforce Development Board.

Program Requirements
The Section 3 program requires that recipients of CDBG-DR provide to the greatest extent possible training, employment, contracting and other economic opportunities to low- and very low-income persons. DEO will work with its Division of Workforce Service to make sure successful graduates and residents receiving public housing assistance are referred to both programs and businesses supported by or working on CDBG-DR funded projects are referred to graduates of this training to meet their contracted Section 3 goals.

Type of Assistance Offered
The impacts of Hurricane Irma continue to pose significant challenges for residents of impacted communities to recover, including the needs for skilled labor. In order for the recovery process to continue, and for residents of Florida to be able to continue to live and thrive in the state, the need for skilled labor is vital. This identified unmet need for skilled labor is an opportunity for DEO to provide job training to assist Floridians looking for work in the construction field as well as providing a new labor force to support the needs coming out of the Hurricane Irma recovery effort. DEO, through its Division of Workforce Services, will utilize existing programs to bolster workforce recovery training throughout the state of Florida caused by Hurricane Irma. The Division of Workforce Services partners with CareerSource Florida and the state’s 24 Local Workforce Development Boards to strengthen Florida’s business climate by supporting employers and helping Floridians gain employment, remain employed, and advance in their careers. To ensure that there are resources to support the high demand of remaining work caused by Hurricane Irma, DEO will implement a workforce recovery training program that may include but may not be limited to the areas of:
- Roofing
- Masonry
- Carpentry
- Concrete finishers
- Plumbing
- HVAC (heating, ventilation, and air conditioning)
- Electricity
- Heavy equipment operations
- Customized training
- On-the-Job Training (OJT)

2.6.1 Total Program Budget Breakdown
The Business Recovery Grant Program has a total budget of $20,000,000. There is not a maximum award amount.

2.6.2 Program Resources
Further information about the Workforce Recovery Training Program and its activities is available in the program specific guidelines such as:
- Workforce Recovery Training Program Guidelines

Infrastructure Repair and Mitigation Activities

2.7 Infrastructure Repair and Mitigation Program

National Objective
The national objective that is approved for this program is to benefit LMI or Urgent Need.

DEO will first consider LMI as the national objective for infrastructure projects. The urgent need national objective will only be used if the project is not LMI, but is needed to alleviate emergency conditions. When using urgent need as a national objective, DEO will obtain justification from the local government or municipality to certify the urgency of the condition.

Responsible Entity for Administering
The Florida Department of Economic Opportunity

Program Requirements
Approximately $85 million will be distributed in the Infrastructure Repair and Mitigation Program. Hurricane Irma affected many community’s infrastructure systems such as damaging roadways, bridges and state beaches. Funding will be dispersed to communities impacted by Hurricane Irma through a
competitive application cycle with priority given to projects that can demonstrate urgent need, readiness to proceed, and that benefit LMI. Where possible, DEO will leverage other sources such as FEMA Public Assistance funding to first address remaining urgent and unmet needs in communities.

Competitive Application Cycle Applicants will select projects or programs to propose to DEO for funding in accordance with DEO thresholds and objectives. These thresholds are:

- Projects must demonstrate tie-back to Hurricane Irma
- Projects must not duplicate benefits.
- DEO will also consider to what extent proposed projects or programs support the following objectives:
  - Projects must support LMI housing needs in some way,
  - Projects must primarily serve LMI populations, or
  - Demonstrate an urgent need in the community

**Type of Assistance Offered**

Eligible activities within this program may include, but are not limited to the following:

- Restoration of infrastructure damaged by Hurricane Irma (such as water and sewer facilities, streets, removal of debris, drainage, bridges, etc.).
- Demolition and rehabilitation of publicly or privately owned commercial or industrial buildings.
- Renourishment of protective coastal dunes systems and state beaches.
- Repairs to damaged buildings that are essential to the health, safety and welfare of a community when repairs to these buildings constitutes an urgent need (this can include police stations, fire stations, parks and recreational centers, community and senior centers, hospitals, clinics, schools and educational facilities, other public properties).
- Repairs to water lines and systems, sewer lines and systems, drainage and flood mitigation systems.

**2.7.1 Total Program Budget Breakdown**

The Business Recovery Grant Program has a total budget of $85,819,653.

**2.7.2 Program Resources**

Further information about the Infrastructure Repair and Mitigation Program and its activities is available in the program specific guidelines such as:

- Infrastructure Repair and Mitigation Program Guidelines
A. Housing Repair and Replacement Program Single Family Guidelines

B. Housing Repair and Replacement Program Rental Guidelines

C. Workforce Affordable Rental New Construction Program: Leveraging Other Sources of Financing Guidelines

The DEO Office of Disaster Recovery, in partnership with the Florida Housing Finance Corporation (Florida Housing), has launched the Rebuild Florida Affordable Workforce Housing Construction Program. The program provides $140 million for the construction of new affordable workforce housing to help address housing shortages worsened by Hurricane Irma. This funding is awarded by DEO’s Rebuild Florida program and will be administered by Florida Housing.

The Request for Applications for this program along with workshop notices and other information is posted on Florida Housing’s website (https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019).
D. **Workforce Affordable Rental New Construction Program: Small Rental Development Guidelines**

The DEO Office of Disaster Recovery, in partnership with the Florida Housing Finance Corporation (Florida Housing), has launched the Rebuild Florida Affordable Workforce Housing Construction Program. The program provides $140 million for the construction of new affordable workforce housing to help address housing shortages worsened by Hurricane Irma. This funding is awarded by DEO’s Rebuild Florida program and will be administered by Florida Housing.

The Request for Applications for this program along with workshop notices and other information is posted on Florida Housing’s website (https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019).
E. Land Acquisition for Affordable Workforce Housing Guidelines

The DEO Office of Disaster Recovery, in partnership with the Florida Housing Finance Corporation (Florida Housing), has launched the Rebuild Florida Affordable Workforce Housing Construction Program. The program provides $140 million for the construction of new affordable workforce housing to help address housing shortages worsened by Hurricane Irma. This funding is awarded by DEO’s Rebuild Florida program and will be administered by Florida Housing.

The Request for Applications for this program along with workshop notices and other information is posted on Florida Housing’s website (https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019).
F. Voluntary Home Buyout Program Guidelines

Guidelines are in development. Once developed, the guidelines will be available on the DEO website at [www.floridajobs.org](http://www.floridajobs.org) under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Disaster Recovery > Hurricane Irma > Rebuild Florida Voluntary Home Buyout Program ([http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-irma/irma-voluntary-home-buyout-program](http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-irma/irma-voluntary-home-buyout-program)).
G. **Business Recovery Grant Program Guidelines**
Guidelines are in development. Once developed, the guidelines will be available on the DEO website at [www.floridajobs.org](http://www.floridajobs.org) under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Disaster Recovery (http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative).
H. Workforce Recovery Training Guidelines

I. Infrastructure Repair and Mitigation Program Guidelines

J. Citizen Participation Plan
K. Hermine and Matthew Subrecipient Policies and Procedures