



## **REBUILD FLORIDA HOMETOWN REVITALIZATION PROGRAM GUIDELINES**

This document provides the guidelines for implementation of the Rebuild Florida Hometown Revitalization Program administered by the Florida Department of Economic Opportunity (DEO). This program is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) allocation described in the *Supplemental Appropriations for Disaster Relief Act, 2018* (Public Law 115-254) and the *Additional Supplemental Appropriations for Disaster Relief Act, 2019* (Public Law 116-20).

## Revisions Log

### Revision 1.1\_January, 19, 2021

1. Page 6 – Under Eligible Counties that Experienced Storm Damage Chart
  - a. Correctly identified Holmes county as a State Most Impacted and Distressed County
2. Page 8 – Made grammatical correction in item #4
3. Page 10 – Scoring Criteria Table
  - a. #4 Leverage of Funds
    - i. Added scoring scale
  - b. #5 Management Capacity Plan
    - i. Corrected response word count from 1,500 to 2,500
4. Page 19 – Updated Application Period to reflect extension. Application deadline is April 16, 2021.

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## DEFINITION AND ACRONYMS

**Action Plan:** The State of Florida's Action Plan for Hurricane Michael long-term recovery provides the high-level strategy to carry out strategic and high-impact activities to minimize or eliminate risks and reduce losses from future disasters. The Plan also describes the opportunity to improve state and local planning protocols and procedures. The Plan was approved by HUD on June 26, 2020.

**Applicant:** Any entity that submits a response to the request for applications (RFA) for potential funding through the CDBG-DR program.

**AMI – Area Median Income:** The median (middle point) household income for an area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development (HUD). Once household income is determined, it is compared to HUD's income limit for that household size.

**CDBG-DR: Community Development Block Grant - Disaster Recovery:** Federal funding provided by HUD to help communities, especially low-income areas, recover from Presidentially declared disasters.

**Commercial:** Any building other than a residential or governmental, including any building constructed for industrial, retail, business, or public purposes.

**Community Based Development Organization (CBDO) –** CBDOs are generally nonprofit organizations that undertake specific kinds of CDBG-funded activities. CBDOs can be for-profit or nonprofit organizations but cannot be governmental entities. A CBDO may be designated as a subrecipient by the grantee.

**Community Development District (CDD) –** A local, special-purpose government framework authorized by Chapter 190 of the Florida Statutes as amended and is an alternative to municipal incorporation for managing and financing infrastructure required to support development of a community.

**Community Revitalization Agency (CRA) –** A dependent special district in which any future increases in property values are set aside to support economic development projects within that district (F.S. 163.356).

**DBA – Davis-Bacon Act (DBA):** Federal law requiring contractors and subcontractors performing on federally funded or assisted contracts for the construction, alteration, or repair of public buildings or public works to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

**DEO – Florida Department of Economic Opportunity:** Administrator of the CDBG-DR program funded by HUD under Public Law 115-254 and 116-20. DEO is the governor-designated state authority responsible for administering all long-term disaster recovery funds awarded to Florida from HUD.

**DOB – Duplication of Benefits:** A duplication of benefits occurs if DEO provides assistance to a participant for the same purpose as any previous financial or in-kind assistance provided to that participant for the same purpose. The DEO CDBG-DR program is prohibited from creating a DOB. This prohibition comes from the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and therefore, other sources of funds must be deducted from any potential award or expenditures for individual participants.

**FR - Federal Register:** The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each allocation of disaster funding.

**HRP - Hometown Revitalization Program:** HRP is an economic development program within DEO's economic revitalization activities for recovery from Hurricane Michael.

**HUD - United States Department of Housing and Urban Development:** The federal agency responsible for national policy and programs that address America's housing needs, that improve and develop the Nation's communities, and enforce fair housing laws.

**Income** – Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

- A. Wages, salaries, tips, commissions, etc.;
- B. Self-employment income from own nonfarm business, including proprietorships and partnerships;
- C. Farm self-employment income;
- D. Interest, dividends, net rental income, or income from estates or trusts;
- E. Social Security or railroad retirement;
- F. Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
- G. Retirement, survivor, or disability pensions; and
- H. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony.

**LMH - Low to Moderate Income Household:** A household having an income equal to or less than the Section 8 low income limit established by HUD.

**LMI - Low-and-Moderate-Income National Objective:** Activities that benefit households whose total annual gross income does not exceed 80% of AMI, adjusted for family size.

- **Extremely low:** Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size.
- **Very Low:** Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size.
- **Low:** Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

**Low- and Moderate- Income (LMI) Person** – A member of a household having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person household for this purpose.

**Low-Income Person** – A member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

**MID - Most Impacted and Distressed Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The HUD-designated MID areas include Bay, Calhoun, Franklin, Gadsden, Gulf, Jackson, Liberty, Wakulla and Washington Counties; The state-identified MID areas, Holmes, Leon and Taylor Counties are also eligible for funding due to having received both Individual Assistance (IA) and Public Assistance (PA) through the Federal Emergency Management Agency (FEMA).

**REDI – Rural Economic Development Initiative:** Section 288.0656, F.S., establishes the Rural Economic Development Initiative (REDI) to better serve Florida’s economically distressed rural communities by providing a more focused and coordinated effort among state and regional agencies that provide programs and services for rural areas. Rural Areas of Opportunity (RAO) are priority assignments for REDI (288.0656(2)(d), F.S.).

**Slum and Blight National Objective:** Activities under this national objective are carried out to address one or more of the conditions which have contributed to the deterioration of an area designated as a slum or blighted area. The focus is a change in the physical environment of a deteriorating area. Under the elimination of slum and blight national objective, determining the extent of and physical conditions that contribute to blight is central to qualifying an activity.

**Small Business:** A business is considered a small business, if it meets the definition of small business as defined by the SBA pursuant to 13 CFR Part 121. The SBA’s size standards define whether a business entity is small, and, thus, eligible for government programs and preferences reserved for “small business” concerns. Size standards have been established for types of economic activity, or industry, generally under the North American Industry Classification System (NAICS). See <https://www.sba.gov/document/support-table-size-standards>.

**State Agency** – Structure of executive branch. The executive branch of state government is structured as follows: (1) the department is the principal administrative unit of the executive branch. Each department must bear a title beginning with the words “State of Florida” and continuing with “Department of” (F.S. 20.04).

**Subrecipient:** Any entity that has been awarded funding by DEO to implement and administer a CDBG-DR project and has executed a subrecipient agreement.

**Subrecipient Agreement:** An agreement between DEO and a subrecipient that has been awarded funding to implement a CDBG-DR project. The agreement details the conditions under which funds are provided and the contractual obligations to which the subrecipient must adhere.

**Subrogation:** Subrogation is a legal doctrine that allows one entity to take on the rights of another. In the context of disaster recovery grants, a subrecipient must enter into a subrogation agreement in which the funding agency (DEO) obtains the right to collect any additional disaster recovery payments the entity obtains for the same purpose after the entity has received disaster recovery benefits.

**UGLG - Units of General Local Government:** A city, county, town, parish, village, or other general-purpose political subdivision of a State.

**Urgent Need National Objective:** Designed only for activities that alleviate emergency conditions. Qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The grantee is unable to finance the activity on its own; and
- Other sources of funding are **not** available.

**2 CFR 200 Subpart E:** Code of Federal Regulations passage that governs CDBG-DR administrative requirements and cost principles.

## INTRODUCTION

The Florida Department of Economic Opportunity (DEO) has allocated \$60,406,429 in funding for the Rebuild Florida Hometown Revitalization Program through the Community Development Block Grant – Disaster Recovery (DGBG-DR) Program by the U.S. Department of Housing and Urban Development (HUD) to address unmet disaster recovery needs related to damage from Hurricane Michael. This guidebook will describe applicant and project eligibility, program guidelines and application procedures for the funding.

On October 10, 2018, Hurricane Michael made landfall near Mexico Beach in Bay County as a Category 5 storm. The hurricane moved northeast across several Florida counties before traveling into Georgia and across the southeastern United States. As one of the strongest hurricanes on record, Hurricane Michael caused unprecedented damage to housing, businesses, and infrastructure in Florida’s Panhandle. The impacts of Hurricane Michael demonstrated the need for an effective, comprehensive long-term recovery plan that would address and meet the remaining unmet needs of Floridians.

Small businesses are the lifeblood of local economies throughout Florida. This can include typical small shops and restaurants in communities’ commercial districts, often the central hub of small and rural communities. Impacts on specific businesses may filter throughout the commercial area, as a few businesses unable to reopen after the disaster may reduce visitors to the commercial district, which then impacts the viability of the remaining businesses. Supporting the recovery of commercial areas is essential to ensuring that commercial tenants, customers and jobs are restored. By facilitating the return of commercial districts and businesses to profitability, jobs will be created or retained within the community and residents will continue to have access to the products and services they need within their local community.

Utilizing data from the unmet needs assessment and research on economic disaster recovery programs in other states, DEO developed the Rebuild Florida Hometown Revitalization Program (HRP) for communities impacted by Hurricane Michael. The program’s goal is to support the recovery of economic activity in commercial areas of impacted towns and cities, facilitating the return and recovery of businesses, jobs, and provision of goods and services to the community.

Eligible applicants in the following counties may apply for funding based on the terms and conditions in this application:

Eligible Counties that Experienced Storm Damage			
Bay*	Gadsden*	Jackson*	Wakulla*
Calhoun*	Gulf*	Leon**	Washington*
Franklin*	Holmes**	Liberty*	Taylor**

\*HUD Most Impacted and Distressed (MID) Counties

\*\*State Most Impacted and Distressed (MID) Counties

State Agencies as defined in section 20.04 F.S., counties and municipalities, as defined in section 180.01 F.S., located in the HUD and State designated MID areas that experienced Hurricane Michael storm damage are eligible to apply for funding based on the terms and conditions in this application. Applicants must provide a detailed description of damage caused by Hurricane Michael. Applications should include plans to mitigate against future damage and show how the proposed project will assist the community in rebuilding after Hurricane Michael.

DEO encourages all prospective applicants to read the State Action Plan for Hurricane Michael long-term recovery located at: <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-michael>

## **BACKGROUND**

Following a major disaster, Congress can appropriate funds through the CDBG-DR program to satisfy a portion of unmet need that remains after other federal assistance such as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA) or private insurance have been allocated. DEO is the lead agency and responsible entity for administering the CDBG-DR funds allocated to the State of Florida.

HUD uses the best available data to identify and calculate unmet needs for disaster relief, long-term recovery, restoration of infrastructure, housing and economic revitalization. Based on this assessment, HUD announced that the State of Florida would receive an allocation of \$735,553,000 in disaster recovery funds to assist in the long-term recovery from the hurricane.

To ensure the funds assist the most impacted areas as outlined in the Federal Register, 80 percent of funding awarded to the state will go to the HUD-identified Most Impacted and Distressed (MID) counties. The remaining 20 percent of funding may be awarded to state-designated MID areas.

During the implementation process, program funding will be provided to subrecipient awardees. Subrecipients must develop and implement policies, procedures, and processes to deliver and maintain projects. Projects may be provided by the subrecipient directly or in partnership with governmental, private sector, or non-profit partners. At the end of the term specified in the subrecipient agreement, the grant will be closed. DEO, with the support provided by its designated partners, will monitor subrecipients throughout the life of the project.

## **GENERAL INFORMATION**

The availability of the funding was formally announced by publication in the Federal Register, Volume 85, Number 17 on January 27, 2020.

<https://www.govinfo.gov/content/pkg/FR-2020-01-27/pdf/2020-01204.pdf>

Federal Register requirements clearly state that funds may be used only for disaster relief and long-term recovery in communities affected by the specified disaster. Requirements provide that funds be directed to areas with the greatest need. All CDBG-DR funded eligible activities must tie to storm damage as specified in and not prior to the Presidential Disaster Declaration 4399 for Hurricane Michael on October 11, 2018. (<https://www.fema.gov/disaster/4399>). All projects must be directly related to damage caused by Hurricane Michael and evidence must be produced that documents the damage caused by Hurricane Michael. CDBG-DR funds cannot be used to replace or reimburse any available funding, such as FEMA Individual and Public Assistance (IA/PA). However, in certain situations, CDBG-DR funds can serve as the local match portion for eligible projects.

HRP is not a direct grant program. No funds will be paid directly to businesses seeking rehabilitation of their physical structures.



## HUD CDBG-DR PROGRAM AND PROJECT FUNDING DIRECTIVES

In response to HUD directives, the Action Plan directs DEO to fund projects and programs that:

1. Provide the maximum feasible priority to activities that will benefit low- and moderate-income (LMI) families.

The aggregate use of the CDBG-DR funds made available under this application shall principally benefit LMI families in a manner that ensures that at least 70 percent of the grant amount is expended for activities that benefit such persons.

2. Focus first on unmet housing needs.

Federal Register Volume 85, Number 17 dated January 27, 2020 states: "Grantees receiving an allocation of funds under this notice are subject to the requirements of the Prior Notices, as amended by this notice or by subsequent notices. Pursuant to the Prior Notices, each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. These grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds" (p. 4682).

For more information: <https://www.govinfo.gov/content/pkg/FR-2020-01-27/pdf/2020-01204.pdf>

3. Projects or programs must address a clear unmet need:

- Have demonstrated physical damages or other direct impact from Hurricane Michael, not including economic impacts; and
- Primarily serving LMI populations.

4. Projects must designate a specific, identifiable commercial area as the project location, which must:

- Be located entirely within the applying entity's or entities' jurisdiction;
- Be in one (1) contiguous commercial area
- Be primarily commercial in nature. Mixed use areas are eligible if commercial uses are the majority (51%) of the units within the area, however, HRP funding may only be utilized for the commercial component(s) of the project and may not be used for housing components;
- Include multiple (minimum 3) separate commercial businesses within the commercial area;

5. Projects must include a credible financial and development plan for completion and occupancy.

6. Projects must demonstrate ability to utilize the requested funding and complete all components of the project within twenty-four (24) months of subrecipient agreement execution.

7. Projects may not be undertaken for the benefit of any single business; projects must be intended to benefit a diversity of business occupants located within the designated commercial area.

8. Subrecipient must document the general use of each business location/property and the national objective it expects to meet. The subrecipient of the program must also make a written commitment that each business property will remain under the general use that will meet the specified national objective as described in the application for the economic development project for a minimum of five (5) years.

## PRE-AWARD AND PRE-CONSTRUCTION COSTS

HUD eligible pre-award and pre-construction costs may be eligible for reimbursement by DEO provided that all HUD and applicable Florida procurement rules and regulations have been followed and the applicant can demonstrate proper procedure was followed.

## THRESHOLD AND SCORING CRITERIA

DEO will apply a two-phased process to review applications. First, proposals must pass DEO CDBG-DR Threshold Compliance Criteria. Next, DEO will review and score each proposal based on Scoring Criteria. If a proposal does not meet any of the Threshold Criteria, DEO cannot proceed to score it for funding consideration. The maximum score for Scoring Criteria is 140 points.

**Proposed project must meet minimum award amount of \$250,000 and may not exceed the maximum award of \$15,000,000.**

### A. Threshold Compliance Criteria

Every project application must meet the following threshold criteria to be determined eligible:

- Be located entirely within the applying entity's or entities' jurisdiction;
- Located within an eligible HUD or State designated MID area;
- Benefit to LMI Persons, Aid in the prevention or elimination of slums and blight, or Meeting a need having a particular urgency (urgent need);
- Is an eligible activity under HUD Guidelines;
- Is an eligible activity under the State of Florida Hurricane Michael Action Plan; and
- Addresses an unmet need tied to damage caused by Hurricane Michael

### 1. Projects must meet a CDBG-DR National Objective such as:

- Benefit LMI persons;
- Slum and Blight; or
- Address an urgent need

### 2. Hometown Revitalization Projects must be considered as CDBG-DR Eligible Activities.

HRP awards are for the revitalization of a designated commercial district that has been damaged by Hurricane Michael. Projects may focus on the physical revitalization of a commercial district through rehabilitation, reconstruction, or demolition. Eligible uses of funds include, but are not limited to:

- Public facility improvements, including streetscapes, lighting, sidewalks, and other physical improvements to commercial areas;
- Acquisition, demolition, site preparation, or rehabilitation of commercial structures carried out by a unit of local government;
- Assistance to small businesses for rehabilitation and physical improvements to their places of business; and
- Façade improvements to private or public structures in commercial areas.

For more detail see Housing and Community Development Act, Sections 105(a)(1), (2), (4), (14), (15), and (17).

<https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-State-National-Objectives-Eligible-Activities-Appendix-A.pdf>

## B. Scoring Criteria

Once a proposal is determined to satisfy CDBG-DR's Threshold Compliance Criteria, DEO will apply scoring based on the following Scoring Criteria. The maximum Scoring Criteria score is 140.

The following chart further defines each category and lists the maximum point allocation for each scoring category. In the event of a scoring tie, projects that have a higher LMI or are located within HUD designated MID areas will be considered first.

		<b>Max Points</b>
1	<p><b>Overall LMI Benefit (percent LMI benefit of the activity):</b>            The LMI score will be determined on the service area the project serves, in order to calculate the LMI score. The applicant should provide their LMI data for the project service area in a percentage form. For example, if the service area LMI is 65%, DEO will multiply by 30 (the maximum amount of points) to receive the final LMI score of 19.5 points.            The LMI percentage will be calculated by DEO using the formula outlined on the CDBG LMI Data website:  <a href="https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/">https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/</a></p>	<b>30</b>
2	<p><b>Project Description:</b>            Write an overview/summary, not to exceed 2,500 words, of the project being proposed.            1. State the project purpose and include a description of the proposed activity.            2. Specify the businesses that will be assisted by completion of this project.            3. Describe the tie-back to Hurricane Michael.            4. Describe how the work will be done and the team assembled to complete work.            5. Explain the method used to determine project funding requirements.            6. Describe anticipated outcomes.            7. Describe how the project will be maintained after it is completed.            8. If not using LMI national objective, provide justification for using slum or blight; or urgent need national objective</p>	<b>20</b>
3	<p><b>Project Impact:</b>            The impact of the project in expanding permanent employment opportunities, including opportunities for LMI individuals.</p>	<b>20</b>
4	<p><b>Leverage of Funds:</b></p> <ul style="list-style-type: none"> <li>• CDBG-DR funds used as federal program local match – 10 points</li> <li>• CDBG-DR funds used along with leveraged funds from the applicant – 10 points</li> </ul> <p><b>Scale for scoring criteria</b> - Less than 15% = 2 pts. / 16-30% = 4 pts. / 46-60% = 8 pts. / 61% or more = 10 pts. Scale to be used for both federal program match as well as other local/private match for maximum points 20 points.</p>	<b>20</b>
5	<p><b>Management Capacity Plan:</b>            Provide a strategic plan overview of 2,500 words or less that addresses goals, stakeholders, the work plan (major tasks and deliverables), resources (staffing and budget) and monitoring/quality controls. Describe any community partnerships and roles. Identify the staff members who will be responsible and/or positions that will be filled for the HRP project management and maintenance. Provide a short profile on each person on your current staff who perform project-related tasks and a brief position description for any new hires who will be assigned to project work.</p>	<b>10</b>
6	<p><b>Special Designation:</b> Application outlines qualification as a special designation</p> <ul style="list-style-type: none"> <li>• Rural Economic Development Initiative (REDI) eligible county or community (see section F.S. 288.0656)</li> </ul>	<b>10</b>

7	<p><b>Budget:</b>          Include your project budget using the Budget Worksheet provided as Appendix A. The project budget must be cost-reasonable, appropriate and accurate. Budgeted items must be consistent with the project description and tasks. The funding requested must meet the HRP minimum award of \$250,000. Applicant must demonstrate there is no duplication of benefits.</p>	10
8	<p><b>Project Readiness:</b></p> <ul style="list-style-type: none"> <li>• Planning is complete, and the project is ready to break ground after the completion of a required HUD compliant environmental review or assessment and funds are available – 10 points</li> <li>• Initial planning has been completed and the procurement process is ready to begin – 5 points</li> </ul>	10
9	<p><b>Project Located in HUD or state-identified MID area</b>          HUD MID – 10 pts.          State MID – 5 pts.</p>	10
<b>Total Maximum Score</b>		<b>140</b>

## ELIGIBLE APPLICANTS

Entities applying to receive assistance through the HRP must meet the following eligibility requirements:

- Unit of general local government (UGLG);
- State agency;
- Community revitalization agency (CRA);
- Community development district (CDD);
- Community-based development organization (CBDO); or
- Non-profit primarily engaged in community redevelopment activities that applies in partnership with their local UGLG or a state agency; and
- Must not appear on the Excluded Parties Listing System. The Excluded Parties List System (EPLS) is an electronic directory of individuals and organizations that are not permitted to receive federal contracts or assistance from the United States government. Any company doing business-or hoping to do business-with the U.S. government or federal agencies must assure that it has no affiliation with excluded parties. For search, go to:  
<https://sam.gov/SAM/pages/public/searchRecords/search.jsf>

DEO will maintain one subrecipient agreement and relationship with the eligible applicant. Applicants may only submit one project per application. Proposals for funding may only serve eligible counties. DEO encourages eligible applicants to form partnerships that provide the necessary capacity to successfully administer the proposed CDBG-DR projects and programs.

If allocated funds by DEO, applicants that are working as a group or in partnership with non-profits, not for profits, nongovernmental organizations or other eligible applicant, must have a signed Interlocal Agreement or Memorandum of Understanding between the partnering entities prior to execution of the subrecipient agreement with DEO.

## **ELIGIBLE ACTIVITIES**

To be eligible for consideration of funding, applicants must propose programs or projects that align with CDBG-DR and DEO requirements and priorities as outlined in the action plan and the Federal Register, including but not limited to those set forth below:

- Projects must demonstrate damage tie-back to Hurricane Michael.
- Projects must primarily serve LMI populations.
- Projects must not duplicate benefits.

### **Activities**

1. Public facility improvements, including streetscapes, lighting, sidewalks, and other physical improvements to commercial areas;
2. Acquisition, demolition, site preparation, or rehabilitation of commercial structures carried out by a unit of local government;
3. Assistance to small businesses for rehabilitation and physical improvements to their places of business; and
4. Façade improvements to private or public structures in commercial area.

## **INELIGIBLE USES**

Ineligible uses of HRP funds include, but are not limited to:

- Working capital, operational capital, or startup capital for a business or business incubator;
- New construction of a commercial building(s) that was not present prior to Hurricane Michael;
- Purchase of equipment;
- Inventory, furnishings, equipment, or similar items provided to a business that are not related to improvements of real property;
- Acquisition of property via Eminent Domain;
- Activities relating to a building or portion of a building used for the general conduct of government; and
- General government expenses.

## **BUSINESS ELIGIBILITY**

- Business must be located in Florida
- Business must be owned and controlled by persons who are eligible to work in the U.S.
- Business must have been established prior to October 10, 2018
- Be appropriately be registered with the State of Florida, as documented in a certificate of status obtained from the Florida Department of State
- Business is required to provide the following documentation, if applicable:
  - State Certificate of Status;
  - State/Local Tax Registration or Certificate of Exemption; and
  - State business or professional license
- Business must currently have a least two (2) full-time employees, and must have employed at least two (2) full-time employees prior to October 10, 2018
  - This includes microenterprises. A microenterprise is a commercial enterprise that has five (5) or fewer employees, one or more of who owns the enterprise

## BUSINESS INELIGIBILITY

- A business deriving more than one-third of gross annual revenue from legal gambling activities.
- A business engaged in any illegal activity.
- A business that presents live performances of an indecent sexual nature or derive directly or indirectly more than 2.5 percent of gross revenues through the sales of products and services, or the presentation of any depictions or displays, of an indecent sexual nature.
- A business that has a primary purpose of facilitating polyamorous relationships.
- Massage parlors.
- Hot tub facilities.
- Escort services.

## ENVIRONMENTAL CLEARANCE

All CDBG-DR activities are to comply with the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as all HUD environmental regulations provided in 24 CFR part 58. All subrecipients will be responsible for determining the appropriate level of environmental clearance required for the project, conducting the required environmental study, and supplying the information to DEO. The environmental clearance must be completed and approved prior to any release of funds for the project or construction commencing. If an identified environmental condition for a site or project cannot be cleared, the site or project may not be an eligible location for CDBG-DR activities and may be deemed ineligible for funding.

## DUPLICATION OF BENEFITS

Eligible entities may have previously received assistance from other sources for the same purpose as the HRP. Under the requirements of *The Robert T. Stafford Disaster Assistance and Emergency Relief Act*, as interpreted and applied by HUD, DEO, and its subrecipients, DEO and subrecipients must take into account certain aid received by a person or entity in determining the amount of assistance which can be granted. DEO and subrecipients must follow HUD's Duplication of Benefits (DOB) Guidance. Individual applicants and entities must provide any information on benefits received that may create a DOB during the application process and upon request. The subrecipient must perform due diligence verification of DOB information.

The Supplemental Appropriations Act authoring CDBG funding and the Stafford Act include restrictions on using CDBG-DR program funds to provide assistance when other entities have already funded all or a portion of the activity. The Stafford Act also contains eligibility requirements for recipients who have received prior disaster funding based upon whether or not they are in compliance with requirements associated with receipt of those funds. Where applicable, recipients must be in compliance with these restrictions or funding will be denied. Applicants and partner entities must report all financial assistance, other local, state, or federal programs, private or non-profit charitable organizations and other assistance received for the purpose for which the participant is applying for, and receiving, funding or services.

Funds provided by any federal, state, or local government entity, or non-profit or private source intended for the same purpose as the HRP are considered a DOB and under federal law **must** be deducted from the assistance provided by the HRP. Any additional funds paid to entities for the same purpose as the HRP after the HRP projects are completed **must** be returned to DEO. Entities in the HRP must agree to repay any duplicative assistance considered a duplication of benefits.

## **SUBROGATION**

Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, a HRP subrecipient must enter into a subrogation agreement where the funding agency (DEO) obtains the right to collect any additional payments the subrecipient receives for the same purpose after the subrecipient has entered into a grant agreement for HRP benefits.

All duplicative funding received must be remitted to or accounted for by the program, regardless of when it is received by the subrecipient. If a subrecipient receives additional funding for the same purpose as the HRP award, including after the HRP award is executed or HRP services are completed, the subrecipient is required to report the additional funding to the program.

By accepting the award, subrecipient agrees 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 subrecipient's award and provide instructions whether the subrecipient's award will be reduced by such amount, or whether the subrecipient must remit such amounts to the program as reimbursement (when additional assistance received after program disbursements). Each subrecipient will execute and be bound by a subrogation agreement.

Entities listed in the subrecipient application must also agree to subrogate (commit to the state of Florida) any future payments they may receive after award from any sources that represent a potential duplication of benefits. The subrogation agreement requires the subrecipient to notify DEO if additional funds are received and to assist DEO in collecting any amounts owed to them from these sources. All parties shall comply with standard anti-fraud measures. DEO will exercise all normal due diligence in collection of amounts owed through contact with awardees and will pursue investigation and collection efforts which may include demand letters, small claims court, filing of judgments, and/or other collection activity. Collection activity following demand letters will be determined in consultation with DEO and/or the Florida Attorney General's Office.

## **CDBG-DR COMPLIANCE**

All applicants with proposals approved for CDBG-DR funds under this application must execute a subrecipient agreement with DEO which will specify all terms and conditions for successful program and/or project and compliance management of a grant. The DEO subrecipient agreement will include, but is not limited to, the following topics:

### **A. National Objectives**

All activities must meet one of the national objectives set out in the Housing and Community Development Act, with at least 70 percent of the dollars going towards projects benefiting LMI persons. In the Rebuild Florida Hometown Revitalization Program, the three National Objectives that will be addressed are:

- 1) Benefit LMI persons;
- 2) Slum and Blight; or
- 3) Meet an urgent need.

### **B. Cross-Cutting Federal Regulations**

DEO requires projects or programs selected for CDBG-DR funding to meet HUD crosscutting federal regulations, such as NEPA environmental review, duplication of benefits, fair housing, Section 3

employment, Davis Bacon wages and others which will be specified in the subrecipient funding agreement. For more information please see:

<https://www.hudexchange.info/resources/documents/CDBG-DR-Cross-CuttingTraining-Resources.pdf>

### **C. Citizen Participation Requirements**

All applicants must submit evidence of a publicly noticed meeting or public comment period to discuss the proposed project and application for the HRP. Counties eligible to receive funds must consider the needs of all municipalities (and federally recognized tribes) within the incorporated and unincorporated area of the county (and reservations contiguous to the county).

Due to the impacts of COVID-19, DEO is allowing applicants to receive public input on their HRP application by the following meeting formats:

1. Posting information about the project online: An applicant posts the information about the project and the program to its public website and allows for 14-day public comment period. Please submit a copy of the post and any public comments to DEO as part of the application. In choosing this option for public comment, the entity will still need to follow proper public noticing guidelines such as advertising the posting in a newspaper of general circulation for five (5) days.
2. Virtual public meetings: An applicant would need to supply the same documentation that would normally be required to demonstrate if a meeting was held, including minutes and a public meeting notice.

Evidence of public meeting with city and tribal governments must meet the following requirements:

- Notice of the public meeting must be provided at least five (5) days prior to the meeting.
- Documentation of the meeting must include sign-in sheets and minutes.

Prior to applying for CDBG-DR funding, applicants are required to post a public notice in a newspaper of general circulation and to their website that states the types of projects to be undertaken, the source and amount of funding available for the activities, the date by which comments must be made and a contact person for a copy of the proposed application. Applicants must provide for a 10-day comment period, which must be published prior to the submission of the application.

Evidence of the public notice must meet the following requirements:

- Documentation of newspaper advertisement.
- Print-out of county webpage showing public notice.
- Documentation that the needs of non-English speaking citizens have been met where a significant number of non-English speaking citizens can be reasonably expected to participate. In this case, documentation will need to be translated into Spanish.

### **D. Use of CDBG-DR as Match**

Funds may be used to meet a matching, share, or contribution requirement for another federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE). By law, the amount of CDBG-DR funds that may be contributed to a USACE project is \$250,000 or less. Note that the Appropriations Act prohibits supplanting the use of CDBG-DR funds for any activity reimbursable by, or for which funds are also made available, by FEMA or USACE.



## **E. System of Record and Compliance Verifications**

Subrecipients will be required to submit information and reports in the means, format, and frequency required by DEO.

## **F. Anti-Fraud and Compliance Policies**

HUD requires policies to prevent fraud, waste, and abuse. DEO is committed to aggressively detecting and eradicating fraud, waste, and abuse to ensure that DEO-administered programs provide services effectively and efficiently and that taxpayer funds are protected. Each employee, provider, vendor, contractor, consultant, partner, citizen, applicant, and beneficiary has a role and responsibility to ensure that every project is in compliance with local, state, and federal laws and policies, and that any incidents are reported immediately for investigation and resolution.

DEO has established procedures for verifying the accuracy of information provided by subrecipients, applicants, and participants. The program will investigate all allegations regarding eligibility, disbursement of funds, or any other allegations of fraud or noncompliance. Where appropriate, the program will assist federal, state, and local agencies in investigations.

Instances of suspected fraud, waste, and abuse should be reported to the DEO Office of Inspector General and to the HUD OIG Fraud Hotline at:

Office of Inspector General  
Florida Department of Economic Opportunity  
107 East Madison Street  
Caldwell Building, MSC 300  
Tallahassee, FL 32399-4126  
(850) 245-7135

[OIG@deo.myflorida.com](mailto:OIG@deo.myflorida.com)

Online complaint form:

<http://www.floridajobs.org/office-directory/office-of-the-inspector-general/request-for-assistance/general-complaint-form>

HUD Inspector General Hotline (GFI)  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410  
1-800-347-3735

[hotline@hudoig.gov](mailto:hotline@hudoig.gov)

More information and online complaint form: [www.hudoig.gov/report-fraud](http://www.hudoig.gov/report-fraud)

Any complaints or allegations of fraud, waste, abuse, or noncompliance reported to a subrecipient involving HRP or funds must be reported by the subrecipient to the DEO Office of the Inspector General.

## **G. CDBG-DR Costs Guidance**

Applicants in their budget proposals must include all costs related to the construction and ongoing, necessary maintenance, of the project.

DEO will apply the following standards in the analysis and ongoing compliance review of allowable costs. Please see <https://files.hudexchange.info/resources/documents/CDBG-DR-Cost-Types-Summary.pdf> for HUD guidance.

As outlined in 2 CFR 200 Subpart E, all costs must meet four (4) criteria:

- **Necessary:** CDBG-DR funding will fill a necessary gap to address an unmet need that cannot be filled by another funding source. This is demonstrated by conducting a duplication of benefits analysis and calculation for each activity.
- **Reasonable:** Costs do not exceed what a prudent person would incur under similar circumstances as demonstrated by the market price for comparable goods and services.
- **Allowable:** Costs must be allowable under CDBG-DR rules and regulations and under 2 CFR 200 Subpart E. Some costs such as lobbying, entertainment, and alcohol are never allowed under any circumstances.
- **Allocable:** Costs must be clearly allocated, meaning the cost is assigned to a CDBG eligible activity with a methodology for determining where to attribute cost.

Activity Delivery Costs must be tied to the time staff and contractors dedicate to a specific project. Applicants must show how the proposed Activity Delivery Costs are or will be cost reasonable through procurement of professional services and/or cost of in-house staff to provide program or project related services. All Activity Delivery Costs must be included as part of the total project costs in a request for CDBG-DR funding. Please include a cost reasonable estimate for all administrative costs associated with the proposed project.

#### **H. Conflict of Interest**

State officials and employees, DEO employees, subrecipients, contractors, and consultants who exercise function with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, are prohibited from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure.

For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law) and children of an official covered under the conflict of interest regulations at 24 CFR 570.489(h).

An exception to the conflict of interest provision may be granted should it be determined that all the concerns generated by the potential conflict of interest have been adequately and publicly addressed and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective administration of the program. No party will enter into a conflict of interest until a request for an exception has been granted by DEO.

#### **I. Public Records**

Pursuant to Article 1, Section 24, Florida Constitution, and Chapter 119, Florida Statutes, DEO is subject to Florida’s public records laws. Accordingly, unless an exemption exists, all records produced or received pursuant to law or in connection with the official business of DEO can be requested and provided for inspection. Subrecipients participating in the HRP are also subject to Florida’s public records laws. All public records requests made to DEO will be processed in accordance with DEO Administrative Policy 1.06, Processing Public Records Request. Public records held by subrecipients may be requested by contacting the relevant subrecipient.

## APPLICATION PROCEDURES

- A. NOTE: The application submission cycle will officially open on November 16, 2020 through April 16, 2021. DEO will take questions about HRP throughout the application process. Please email any question regarding the application to:  
[CDBG-DRMichaelHRP@deo.myflorida.com](mailto:CDBG-DRMichaelHRP@deo.myflorida.com).
- B. All eligible applicants are invited to visit the Hurricane Michael Rebuild Florida Hometown Revitalization Program webpage and click on “Online Application” found at the following link:  
<http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-michael>. The applicant will then be prompted to provide contact information and an email address. Once registered, the applicant will receive an individualized application link via the provided email.
- C. All eligible applicants will be expected to complete and submit all required attachments to the application which are listed below. DEO may request additional supporting documents during the application review period and site visit period.
1. Cover letter detailing the project and the importance to the community that the project will serve.
  2. Project budget estimates. Please include all estimates for administration of the grant in the budget. If an applicant is attempting to leverage funds from another program or is committing additional local funds, please clearly list these funds on the budget worksheet.
  3. Projected project work plan, including which segments of the project are expected to be carried out by contractors or applicant staff.
  4. Organization Chart or Schedule of Team Roles, such as staff, contractor, vendor and community partners illustrating their roles and responsibilities as it relates to the proposed project.
  5. Public Meeting Notice, which includes meeting agenda, meeting minutes, and any received public comments pertaining to the proposed project.
  6. Maps illustrating the following:
    1. Total service area;
    2. Proposed project area;
    3. Zoning of proposed project area; and
    4. Most recent flood plain map of the proposed project area.
  7. Pictures of damage caused by Hurricane Michael and the current condition. Applicants will have the ability to upload up to ten (10) pictures of the damage caused to the project/project area and the current conditions of the project/project area.
  8. Documentation of REDI eligibility.
  9. List of businesses to be assisted in proposed project. Also, include FEIN for each business.

- D. DEO will score each proposed project separately based on information provided in the application packet. DEO reserves the option to fund none, a selection of, or all of the project proposed by an applicant.
- E. DEO will conduct site visits and reserves the opportunity to interview applicants and request follow-up clarification information.
- F. If an applicant is planning to submit more than one project proposal, please fill out a different application packet for each of the proposed projects.

### **TECHNICAL ASSISTANCE FOR THE APPLICATION PROCESS**

DEO will host a live webinar on 12/3/2020 at 2:00 EST to provide an overview of the application process and answer questions. DEO will also host 20-minute one on one meetings with potential applicants to discuss any questions that may arise during the application process beginning after the live webinar. Please email any question to [CDBG-DRMichaelHRP@deo.myflorida.com](mailto:CDBG-DRMichaelHRP@deo.myflorida.com).