



Office of Long-Term Resiliency Hurricane Irma Policy Manual

Version 14.2
May 13, 2024

VERSION HISTORY

Version Number	Date	Summary of Changes
1.0	05/03/2019	Draft Policies and Procedures Manual Published to website
1.1	07/25/2019	Applied clarifying language throughout document
2.0	09/9/2019	Added OLTR's QA/QC Procedures, Section 3 Plan, and Anti-Fraud, Waste and Abuse policies
3.0	10/24/2019	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
3.1	10/31/2019	Applied formatting edits throughout document
4.0	11/04/2019	Added clarifying language to Anti-Fraud, Waste and Abuse policy
4.1	11/19/2019	Applied formatting edits throughout document
4.2	01/02/2020	Administrative changes to the Policies and Procedures Manual and appendices. Clarifying language added throughout document
5.0	02/05/2020	Added more information to Temporary Housing Assistance Benefit (THAB) Policy and MHU Relocation Policy
6.0	02/14/2020	Added information for Reasonable Accommodation Requests, Mobile Home Unit Replacement with Lien, DOB Gap Funding deadline and Inactive Status/Due Diligence Process
6.1	02/26/2020	Clarified language for Fraud Related Training
7.0	02/27/2020	Added example grant calculation/DOB table and updated information for Pilot Methodology.
8.0	8/25/2020	<p>Added formatting changes throughout the document to create four separate sections: Part 1 contains policies applicable to all CDBG-DR programs, Part 2 consists of policies pertaining to subrecipients, and Part 3 contains State-Managed Disaster Recovery programs, and Part 4 includes the State-Managed Program Overviews.</p> <p>Made updates to include Housing Repair and Replacement Program Guidelines, Version 3 updates.</p> <p>Inserted Policy Exceptions Standard Operating Procedure.</p> <p>Updated Public Records Request process based on SB 966/ Chapter 2020-34, Approved by the Governor on June 18, 2020, which provides an exemption from public records requirements for property photographs and</p>

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		<p>personal identifying information provided to FloridaCommerce for the purpose of disaster recovery assistance.</p> <p>Added clarifying edits to Citizen Complaint Procedure.</p>
9.0	9/16/2020	<p>Added language confirming compliance with the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA).</p> <p>Added statement to the DOB policy regarding third-party data verifications.</p>
10.0	2/8/2021	<p>Updated 1.1.1, Acceptance of HUD's Funding Allocation.</p> <p>Updated 1.10.3 Risk Assessment/Monitoring Procedure; the table removed from this section will be posted to the FloridaCommerce Subrecipient Resource page.</p> <p>Inserted language in 2.1.1, "Duplication of Benefits Procedures for Subrecipients/Subgrantees," citing FloridaCommerce's Compliance Monitoring Handbook as the location of further information on monitoring and monitoring checklists.</p> <p>Updated 2.5.5, Request for Funds (RFF), and clarified the Request for Funds Process.</p> <p>Corrected sentence fragment in 4.1.3, Increased Cost of Compliance</p> <p>Corrected page numbering issue</p> <p>Removed Appendix 10, link to Hermine and Matthew policies and procedures. This document is available on the Rebuild Florida website.</p>
10.1	3/5/2021	<p>Removed Appendix 6 "Business Recovery Grant Program Guidelines" as this program was removed</p> <p>Completed minor formatting corrections</p>
10.2	3/8/2021	<p>Updated 3.1.2, Mitigation Measures, with references to guidance</p> <p>Added an additional sentence to 3.1.3, Ineligible Activities, regarding the ineligibility of activities or funding from the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers.</p> <p>Inserted 3.1.5, National Flood Insurance Program (NFIP) Insurance Requirements/Flood Disaster Protection</p>
10.3	4/6/2021	<p>Replaced references to the Office of Disaster recovery (ODR) with the Office's new name, Office of Long-Term Resiliency (OLTR)</p> <p>Updated Temporary Housing Assistance Benefit Process information</p>
10.4	6/10/2021	<p>Updated 1.8.2 Anti-Fraud, Waste, and Abuse. Removed redundant material and added link to OLTR Anti-Fraud Waste and Abuse Policy</p>

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		Completed minor typographical edits throughout the document
11.0	9/13/2021	<p>Updated formatting of version history table to include version numbers</p> <p>Moved and updates Version Policy section</p> <p>Inserted “Policy Change Control” section following Version Policy</p> <p>Moved Introduction up from below Purpose</p> <p>Updated 1.7.2 Fair Housing, with language and a current link to the 5-year Consolidated Action Plan.</p> <p>Updated formatting of 2.1.2 Duplication of Benefits Process, for ease of navigation and reading</p> <p>Updated language in 2.3.1.1 Risk Assessment/Monitoring Procedure with updated information on monitoring frequency</p> <p>Updated 3.1.3 Ineligible Activities with clarifying language</p> <p>Updated 3.1.5 National Flood Insurance Program (NFIP) Insurance Requirements/Flood Disaster Protection with language regarding the requirement of maintaining flood insurance</p> <p>Removed outdated language on Business Recovery Grant Program, removed by Amendment 14 to the Hurricane Irma Action Plan.</p> <p>Added 3.4.2 Use of CDBG-DR as Match</p> <p>Made updates to Appendices section to provide links to program web pages as well as direct links to program documents, update outdated links, provide additional resource links</p> <p>Combined HRRP appendices previously numbered Appendices 1 and 2. Both HRRP programs are represented in the new Appendix 1</p> <p>Combined WFA appendices previously numbered Appendices 3 and 4. Both WFA programs are represented in the new Appendix 2</p> <p>Appendices were renumbered accordingly</p> <p>Made formatting changes throughout the document, updated heading styles, made changes to bulleted and numbered lists for consistency, inserted captions for all tables.</p>
12.0	10/28/2021	<p>Added language to 1.8.1 “Constituent Complaints and Inquiries Procedures”</p> <p>Updated 1.8.1 Constituents Complaints and Inquiries Procedures to specify that written responses will be provided within 15 working days to all complaints</p> <p>Inserted 1.8.2 FloridaCommerce URA Appeals to include the URA appeal process</p>

		<p>Updated 3.1.3 Ineligible activities with “funding of buildings for the general conduct of government” and clarified that “activities and uses not authorized under Title I of the Housing and Community Development Act of 1974 or allowed by waiver” are ineligible.</p> <p>Updated 3.2.1.3 Program Requirements, with the statement that :”Households that make above 120 percent of the Area Median Income (AMI) will not be eligible for the HRRP” to match the Hurricane Irma Action Plan</p> <p>Updated 3.2.1.6 Total Program Budget Breakdown, with updated Housing Repair and Replacement Program Budget figures as adjusted in Hurricane Irma Action Plan Amendment 17</p> <ul style="list-style-type: none"> • Updated total budget figure to \$516,832,357.53 • Updated MID community allocation to \$413,465,886.02 • Updated maximum award figure to \$350,000 except for in Monroe County, which will have a maximum assistance amount of \$650,000 <p>Updated 3.2.3.5 Total Program Budget Breakdown, with updated Voluntary Home Buyout Program Budget figures as adjusted in Hurricane Irma Action Plan Amendment 17</p> <ul style="list-style-type: none"> • Updated total budget figure to \$43,663,617.33 • Updated MID community allocation to \$34,930,893.86 <p>Updated 3.4.1.5 Total Program Budget Breakdown, with updated Infrastructure Repair Program Budget figures as adjusted in Hurricane Irma Action Plan Amendment 17</p> <ul style="list-style-type: none"> • Updated total budget figure to \$56,696,914.14
13.0	1/14/2022	<p>Removed duplicative definition for activity/project/program.</p> <p>Clarified definition for Project/Program/Activity</p> <p>Updated definition of Section 3</p> <p>Updated definition for Section 3 Business or Business Concern</p> <p>Added definition for Targeted Section 3 Worker</p> <p>Added Definition for YouthBuild</p> <p>Updated 1.7.5 Section 3:</p> <ul style="list-style-type: none"> • Replaced instances of “Section 3 resident” with “Section 3 worker” throughout the section, following 24 CFR 75 • Added language to 1.7.5.1 Section 3 Compliance regarding the difference in Section 3 requirements based on contract award date • Updated 1.7.5.2 Section 3 Thresholds to expand upon the differing requirements for contracts awarded before and after November 30, 2020 • Added language on “Safe Harbor” to 1.7.5.3 Section 3: Good Faith Effort • Updated 1.7.5.4 What is a Section 3 Worker? To include the updated definition of a Section 3 worker provided in 24 CFR 75, and define “Targeted Section 3 Worker” as defined in 24 CFR 75

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		<ul style="list-style-type: none"> • Updated 1.7.5.5 What is a Section 3 Business Concern? to expand upon the differing requirements for contracts awarded before and after November 30, 2020 • Updated 1.7.5.6 Section 3 Goals to expand upon the differing requirements for contracts awarded before and after November 30, 2020 • Updated 1.7.5.9 Section 3 Reporting with the new reporting requirements outlined in 24 CFR 75 • Updated 1.7.5.10 Section 3: Roles and Responsibilities, Contractors' responsibility for Section 3 to expand upon the differing requirements for contracts awarded before and after November 30, 2020. • Updated 1.7.5.10 Section 3: Roles and Responsibilities program staff responsibilities • Added subrecipient responsibilities to 1.7.5.10 Section 3: Roles and Responsibilities <p>Clarified the date April 5, 2019 under Table 7 Complete Population Status as of April 5, 2019</p> <p>Clarified National objective in 3.2.2 Workforce Affordable Rental New Construction Programs</p> <p>Updated 3.2.3.3 Program Requirements for the Voluntary Home Buyout Program to include both Low- and Moderate-income Area benefit (LMA) and Low/Moderate Housing Incentive Criteria</p> <p>Updated 3.2.3.6 Program Resources for Voluntary Home Buyout to include the Voluntary Home Buyout Program Design and the Voluntary Home Buyout Subrecipient Policies and Procedures.</p> <p>Updated "and" to "or" in 3.4.1.1 National Objective for the Infrastructure Repair Program</p> <p>Updated 3.4.1.5 Total Program Budget Breakdown for the Infrastructure Repair Program to include clarifying language regarding budget reallocations</p>
13.1	2/23/2022	<p>Updated "Community Service Referrals" under Temporary Housing Assistance Benefit (THAB) in Section 3.2.1.4 Types of Assistance Offered, to state that Community Service Referrals are an option for those in need of Temporary Housing Assistance, but do not need to be prioritized in order for an applicant in need of Temporary Housing Assistance to receive Temporary Housing Assistance Benefits.</p>
13.2	3/16/2022	<p>Separated "Section 3" from "Civil Rights" for clarification</p> <p>Moved "Record Keeping" to Section 1.7.5 under "Civil Rights"</p> <p>Updated 1.8.5.2 "Appeals Process" to remove Uniform Relocation Act (URA) Appeals</p> <p>Updated 3.2.1.4 Types of Assistance Offered "Temporary Housing Assistance Benefit (THAB)"</p> <p>Updated 4.3 FloridaCommerce Procurement Methods and Contractual Requirements and inserted 24 CFR 75 to the lists of regulations</p> <p>Applied clarifying language throughout document</p>

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13.3	7/26/2022	Updated Table 8: Sample Award Table within section 4.1.13 Calculating Potential Duplication of Benefits to reflect the current HRRP award table
13.4	12/1/2022	Updated 2.3.1.1 Risk Assessment/Monitoring Procedure to clarify language on Monitoring Work procedures Added link to FloridaCommerce’s Uniform Relocation Assistance Guide and Residential Anti-Displacement and Relocation Assistance Plan in Acquisition and Relocation Section 1.4.1 Overview
13.5	3/24/2023	Made minor changes to language in 1.6 Labor Standards and the Davis-Bacon Act and 1.6.1 Construction Categories. Updated procedures outlined in 1.6.2 Wage Decisions. Made minor changes and provided supplemental text to 0 Monitoring Construction Activities and Labor Standards. Removed Section titled “The Wage Request Process”, previously section 1.6.6. Updated responsibility lists for program staff, contractors, and subrecipients in 1.8.10 Section 3: Roles and Responsibilities. Replaced previous sections 2.3 and 2.4 with updated section 2.3 Compliance Monitoring Plan, CDBG-DR Programs, for consistency with OLTR’s Compliance Monitoring Plan. Updated email in Temporary Housing Assistance Benefit Extension of Benefit.
13.6	3/31/2023	Removed verbiage from Temporary Housing Assistance Benefit (THAB) Overview stating that construction delays that are the fault of the contractor may result in additional THAB costs for which the contractor may be responsible. Removed language from THAB Extension of Benefit stating that all THAB costs over the cap will be incurred by the contractor.
14.0	09/15/2023	As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as “FloridaCommerce.” To reflect this change, all references to the former Florida Department of Economic Opportunity (including “the Department” and “DEO”) have been updated to represent FloridaCommerce. Associated branding (including logos, fonts, and colors) has been updated throughout the document. Updated 1.3 Environmental Review Record (ERR) to clarify language around the environmental review process.
14.1	1/22/2024	Removed subsections “Findings/Reporting/Issue Resolution Process” and “Roles and Responsibilities” from 1.11.2 Quality Assurance/Quality Control (QA/QC) Procedures for consistency with the Compliance Monitoring Plan which further details these processes.

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		<p>Added Urgent Need as an eligible National Objective for Voluntary Home Buyout and Workforce Recovery Training Program, per Substantial Amendment 23 to the Hurricane Irma Action Plan.</p> <p>Updated language regarding specific program budgets to refer to the Hurricane Irma Action Plan posted to www.floridajobs.org/CDBG-DR/Hurricane-Irma/ for the most current program budgets.</p> <p>Updated program-specific appendices (Appendix 1: Housing Repair and Replacement Program, Appendix 2: Workforce Affordable Housing Rental New Construction Program: Leveraging Other Sources of Financing and Small Rental Development, Appendix 3: Voluntary Home Buyout Program Resources, Appendix 4: Workforce Recovery Training Program, and Appendix 5: Infrastructure Repair Program) to refer to the applicable program-specific page to access the most current versions of additional program policy documents.</p>
14.2	5/13/2024	<p>Added section 1.6.6 Record Keeping Related to Labor Standards and the Davis-Bacon Act</p> <p>Made a slight edit to heading name and verbiage in 1.7.5 Record Keeping Related to Civil Rights</p> <p>Updated section 1.8 Section 3 and its subsections for consistency with other program documents</p> <p>Added section 1.8.11 Record Keeping Related to Section 3</p>

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 as needed 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 Long-Term Resiliency 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 Long-Term Resiliency webpage. Information about FloridaCommerce's Office of Long-Term Resiliency can be found at: www.floridajobs.org/CDBG-DR.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

POLICY CHANGE CONTROL

Policy review and changes for the State of Florida Office of Long-Term Resiliency are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the document in question.

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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.

Purpose

This Policies and Procedures Manual for the Office of Long-Term Resiliency 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 Commerce'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 Commerce's Office of Long-Term Resiliency at:

Florida Department of Commerce
Office of Long-Term Resiliency
107 East Madison Street
Caldwell Building, MSC 420
Tallahassee, FL 32399
(850)-717-8474

Definitions and Acronyms

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)

Allocable Costs: Allocable costs must be clearly allocated, meaning the cost is assigned to a CDBG-DR eligible activity with a methodology for determining where to attribute costs.

Allowable Costs: Allowable costs under the CDBG-DR rules and regulations and under 2 CFR 200 Subpart E.

AP: CDBG-DR Action Plan

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.

CFR: Code of Federal Regulations.

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 Commerce 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 Commerce'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 FloridaCommerce's Office of Long-Term Resiliency.

Cost Reimbursement: Payment made to the subgrantee and/or subrecipient after a request for funds has been submitted along with proper supporting documentation and approved by FloridaCommerce. In CDBG-DR grant agreements, the subgrantees and or subrecipients are required to pay in advance for all completed work that is associated with the deliverables set forth in the subrecipient agreement and is reimbursed based on the invoice and supporting documentation submitted to FloridaCommerce.

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.

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-DR funds.

FACTS: Florida Accountability Tracking System is an online tool managed by the Department of Financial Services developed to make the government contracting process in Florida more transparent through the creation of a centralized, statewide reporting system.

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.

FEMA: Federal Emergency Management Agency, a federal agency.

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

FloridaCommerce: Florida Department of Commerce.

Grantee: As used in this manual, the State of Florida, FloridaCommerce’s Office of Long-Term Resiliency as recipient of CDBG-DR funds from the U.S. Department of Housing and Urban Development.

HRRP: Housing Repair and Replacement Program managed by the FloridaCommerce Office of Long-Term Resiliency.

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.

Invitation to Bid (ITB): a written or electronically posted solicitation for competitive sealed bids.

Invitation to Negotiate (ITN): a written or electronically posted solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services.

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.

Necessary Costs: 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 calculation for each activity.

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 Long-Term Resiliency: The Florida Department of Commerce’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 CDBG-DR 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 CDBG-DR 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 FloridaCommerce, the subgrantee, subrecipient, and/or subrecipient using CDBG-DR funds.

QPR: The CDBG-DR Quarterly Performance Report that is required to be uploaded quarterly in the DRGR system for HUD’s review of Florida’s disaster recovery programs.

Rebuild Florida: A disaster recovery program created by the Department of Commerce (FloridaCommerce) to help Florida’s long-term recovery efforts from hurricanes that have impacted the citizens of Florida.

Reasonable Costs: Costs that do not exceed what a prudent person would incur under similar circumstances as demonstrated by the market price for comparable goods and services. For contracted work, you should conduct an independent cost estimate to establish cost reasonableness.

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 Quote (RFQs): An oral, electronic, or written request for written pricing or services information from a Florida state term contract vendor for commodities or contractual services available on state term contract from that vendor.

RFF: Request for Funds: Subgrantee request for funds from FloridaCommerce.

ROF: Release of Funds: HUD’s or FloridaCommerce’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 FloridaCommerce.

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: Means Section 3 of the Housing and Community Development Act of 1968, as amended, and the implementing regulations at 24 CFR 135 and 24 CFR 75, as applicable, relating to employment and other economic opportunities for low- and very-low income persons.

Section 3 Worker: 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 HUD Act of 1968, as amended, this refers to a business that:

- For projects awarded before November 30, 2020 (Old Rule): 51% or more owned by Section 3 residents or whose permanent, full-time employees includes 30% of such residents as employees.
- For projects awarded after November 30, 2020 (New Rule):
 - 51% owned and controlled by low-or very low-income persons; or
 - Over 75% of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers; or
 - It is a business at least 51% owned and controlled by current public housing residents who currently live in Section 8-assisted housing.

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: "Subrecipient Enterprise Resource Application" is FloridaCommerce's web-based reporting and grants management system. This system is used by CDBG-DR vendors, subgrantees and subrecipients to submit invoices and supporting documentation to be reimbursed for goods and services. The transactions in this system are linked to the state's FLAIR system as well as HUD's DRGR system.

Service Area: Neighborhood of the project. 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.

Subgrant Agreement: An agreement between FloridaCommerce and the subgrantee to undertake the activities the subgrantee will undertake using CDBG funds.

Subrecipient Agreement: An agreement between FloridaCommerce and the subrecipient to undertake the activities the subrecipient agreement will undertake using CDBG funds.

Targeted Section 3 worker: A Section 3 worker who is:

- A worker employed by a Section 3 Business concern; or
- A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - A resident of public housing or Section 8-assisted housing;
 - A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - A YouthBuild participant.

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.

YouthBuild: National organization administered by the U.S. Department of Labor with community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.

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 Commerce's (FloridaCommerce) 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 Commerce (FloridaCommerce) is the responsible entity for administering the CDBG-DR funds allocated to the state. FloridaCommerce has competitively procured IEM to assist with program and contract administration services for disaster recovery programs associated with Hurricane Irma.

FloridaCommerce recognizes its fiscal and regulatory responsibility to administer these funds consistent with all federal and state requirements. FloridaCommerce'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, FloridaCommerce 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 FloridaCommerce 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 Long-Term Resiliency 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 FloridaCommerce Office of Long-Term Resiliency staff members from subrecipients. FloridaCommerce 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 FloridaCommerce'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.

FloridaCommerce 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 Overarching Regulatory and CDBG-DR specific Processes

1.1 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.

1.1.1 Acceptance of HUD's Funding Allocation

1. HUD notifies the Governor's office of the funding allocation.
2. The Governor's office notifies FloridaCommerce's Executive Director, the Office of Long-Term Resiliency Director and Policy unit.
3. FloridaCommerce Drafts and submits Action Plan, Implementation Plan, and Financial Certification
4. HUD reviews and approves Action Plan and Implementation Plan
5. Once the Action Plan is approved, the Bureau of Financial Management will create grant codes specifically for the CDBG-DR grant and enter them in the Florida Accounting Information Resource (FLAIR) system to capture all state pre-award expenditures allowable under the grant for reimbursement.
6. Once the financial certification has been approved, HUD provides FloridaCommerce written notification of the grant award along with the CDBG-DR Grant Agreement to be signed.
7. The Policy Unit drafts a transmittal letter to HUD for the FloridaCommerce Executive Director to sign. Along with the transmittal letter, the CDBG-DR Grant Agreement is routed through the OLTR Director, the General Counsel's Office, the Chief Operating Officer and then to the Executive Director.
8. 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 HUD's Disaster Recovery and Special Issues Division (DRSI).
9. Once the Policy Unit receives the signed CDBG-DR Grant Agreement from HUD, a copy of the executed agreement is distributed to FloridaCommerce's Bureau of Financial Management, the Office of General Counsel, Office of Long-Term Resiliency director, Bureau Chiefs, and other essential personnel. A hard copy and an electronic copy of the CDBG-DR Grant Agreement is maintained by the Policy Unit.
10. Once the executed grant agreement is received by the Bureau of Financial Management, information from the approved Action Plan is entered into HUD's DRGR system creating a DRGR Action Plan for HUD's review and approval.
11. Once HUD approves the DRGR Action Plan, the CDBG-DR funds will be made available for FloridaCommerce to draw down.

1.1.1.1 Federal Funding Accountability and Transparency

As a recipient of a federal financial assistance award over \$25,000, the Department of Commerce is subject to the requirements of Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA). Public Law 109-282 requires disclosure of all entities and organizations receiving federal funds through a single publicly accessible website, USASpending.gov. Pursuant to these requirements, information on the CDBG-DR allocation provided to FloridaCommerce by HUD is available at: https://www.usaspending.gov/#/award/ASST_NON_B-17-DM-12-0001_8620.

1.1.2 Action Plan Development

1.1.2.1 Action Plan Substantial Amendment

1. The AP substantial amendment is prepared by the policy unit in coordination with the applicable program area.
2. Once completed by the policy unit, the draft AP substantial amendment is routed to the applicable bureau chief, the OLTR and FloridaCommerce finance units if there is a financial impact, the OLTR director and finally, the OLTR communications office.
3. Once final approval is given by OLTR director, the draft substantial amendment is submitted to translation services. Once translated, both versions (English and translated) are sent to OLTR communications to be posted on the FloridaCommerce website for 30 days public comment period as required.
4. After the 30-day public comment period ends, the policy unit incorporates any public comments and drafts response(s) to public comments incorporating the responses into the final version of the substantial amendment. Once draft is completed, it once again follows the previous route for final approval.
5. The approved final version of the substantial amendment is transmitted to the appropriate HUD office for review and approval. HUD has 45 days to review and approve the substantial amendment. Once the substantial amendment is approved by HUD, it becomes effective.
6. The substantial amendment is published on the website for the public to view and is incorporated into the Hurricane Irma Consolidated Action Plan.

1.1.2.2 Action Plan Non-Substantial Amendment

1. The AP non-substantial amendment is prepared by the policy unit in coordination with the applicable program area.
2. The draft AP non-substantial amendment is routed to the applicable program bureau chief, depending on content other offices if needed, the OLTR director and OLTR communications for final edits and approval.
3. Once the division director approves the draft non-substantial amendment, HUD is notified of the non-substantial amendment via email.
4. The amendment becomes effective 5 working days after HUD acknowledges receipt.
5. The amendment is then translated and published on the website for the public to view and is incorporated into the Hurricane Irma Action Plan.

1.2 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.

FloridaCommerce staff has coordinated 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. FloridaCommerce currently has secured data sharing agreements with FEMA and SBA to ensure the most recent assistance data is used in confirming other federal assistance. In addition, FloridaCommerce has secured data from the National Flood Insurance Program (NFIP). After confirmation with any third-party data source that all appeals deadlines or other events that could result in individual data point changes have elapsed, the program will rely on the last verified data set from the data provider to perform any remaining third-party data verifications.

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),
- Private Insurance,
- Increased Cost of Compliance (ICC),
- Small Business Administration (SBA),
- Army Corps of Engineers
- Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may duplicate assistance.

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 person who 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.

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.

Table 1: HUD’s Duplication of Benefits Guidance

Federal Register Notice	Publication Date	Subject
<u>84 FR 28836</u>	June 20, 2019	June 2019 Duplication of Benefits Notice
<u>84 FR 28848</u>	June 20, 2019	June 2019 Duplication of Benefits Implementation Notice
<u>76 FR 71060</u>	November 16, 2011	Duplication of Benefits

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, entitled “Updates to Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grants,” outlines the new DOB requirements consistent with the Disaster Recovery Reform Act of 2018 (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. The 2019 DOB Notices, 84 FR 28836 and 84 FR 28848, are applicable to any new activities the grantee submits to HUD on or after the applicability date of June 25, 2019. The Rebuild Florida Program and CDBG-DR subrecipient programs most adhere to the 2019 DOB notice.

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 Environmental Review Record (ERR)

1.3.1 Overview

The National Environmental Policy Act of 1969, as amended (NEPA), established national policies, goals, and procedures for protecting, restoring, and enhancing environmental quality. NEPA requires the evaluation of environmental impacts of proposed federally funded projects and identification of mitigation measures to minimize or prevent adverse impacts. All State- or Subrecipient-managed projects funded by HUD CDBG-DR funds 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](#); [24 CFR Part 35, 51, 55, and 58](#); and all applicable state and local regulations.

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 the 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 materials; 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.

Further information on environmental review processes is available on the [HUD Exchange](#) and FloridaCommerce's [OLTR website](#).

1.3.2 Environmental Review Record and Responsible Entity

An ERR is a written record of the environmental review undertaken by the RE for each project and must be available for public review upon request. As defined in 24 CFR 58.2(a)(7), the RE can be FloridaCommerce 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; preparing and maintaining the ERR; submitting the ERR for review to the State's Certifying Officer for approval; and performing monitoring, inspection, and enforcement actions to assure that decisions adopted through the environmental review process are carried out during project development and implementation.

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 the requirements of section 102 of NEPA and the related provisions in 40 CFR parts 1500 through 1508, and 24 CFR part 58, including the related Federal authorities listed in §58.5. The subrecipient's Certifying Officer assumes legal responsibility for certifying that the Grantee or Subrecipient has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

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 of environmental reviews are the following:

- **Project Aggregation** – The RE shall 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, regardless of the funding source.
- **Determine the Level of Review** – The RE must determine which level of environmental review is appropriate for each identified activity within the project scope.
- **Documentation** – The RE must conduct the appropriate consultations with local, state, and federal agencies as well as any other interested parties and complete the review of the required compliance factors, depending on the level of review. The RE must maintain documentation of all consultation and review activities necessary to demonstrate compliance as the process is comprehensive and detailed. The amount of information needed to complete the review depends on the type of project the RE is proposing. All ERRs must be submitted to FloridaCommerce and approved by the state’s Certifying Officer prior to committing or expending funds on the project.

1.3.3 Environmental Review Record Procedure

The process for completing the ERR in compliance with [24 CFR Part 58](#) includes the following:

1.3.3.1 Step 1: Designate Responsible Entity

The RE is the state or subrecipient responsible for establishing a Subrecipient Agreement, preparation of the ERR, environmental decision-making, designating a Certifying Officer, and all other 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](#).

1.3.3.2 Step 2: Develop Project Description

- The project description is critical in determining the level of environmental review required. A reader unfamiliar with the project and the project area 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: All proposed project activities by all funding sources, described in detail.
- Entire project scope and all phases of the project from beginning to end.
- Exact project location(s)/area(s), supported by a locational map.
- Color photographs, site plans, project plans, or maps available at the time.
- Total project costs including all funding sources.
- Existing environment on and around project site and how it is expected to change as a result of the project.

1.3.3.3 Step 3: Determine Level of Review Required

The RE must ensure the level of environmental review per 24 CFR 58.34 through [24 CFR 58.37](#) is appropriate for the proposed project in order to correctly complete the necessary review process and documentation. Determining the required level of review is the responsibility of the RE. 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 levels of environmental review are:

- Exempt § 58.34
- Categorically Excluded Not Subject to § 58.5 (CENST)

- Categorically Excluded Subject to § 58.5 (CEST)
- Environmental Assessment § 58.36 (EA)
- Environmental Impact Statement § 58.37 (EIS)

Some types of projects may benefit from tiering the environmental review as provided by [§ 58.15](#). Tiered reviews are most commonly applied to projects involving repair, replacement, reconstruction and/or buyout of a large number of single-family homes.

- Tier I (also known as a Broad-Level Review or Unspecified Site Strategy)
- Tier II (Site Specific Review)

Table 2: Examples of Typical Disaster Recovery Projects*

Proposed Project	Level of Environmental Review
Workforce Training	Exempt
Repair of Commercial Building Facades	CEST
Repair of Single-Family Home	CEST, Tier I and Tier II
Voluntary Home Buyout	CEST or EA, Tier I and Tier II
Infrastructure – Drainage Improvement	Environmental Assessment
New Multi-Family Construction	Environmental Assessment

** 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 RE 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, and training activities conducted at existing facilities. 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 required Exemption Form provided by FloridaCommerce along with related supporting documentation.. A Notice of Intent/Request for Release of Funds (NOI/RROF) is not required.

If the proposed project consists of both exempt and non-exempt activities, the RE will need to complete the HUD [Exemption Form](#) and provide it to FloridaCommerce along with the related supporting documentation to cover any exempt activities carried out prior to the completion of the remaining environmental review process.

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 Exempt and CENST activities, the RE will need to complete the required CENST Form provided by FloridaCommerce, which is the same as the Exemption Form, along with the related supporting documentation to FloridaCommerce. A Notice of Intent/Request for Release of Funds (NOI/RROF) is not required.

Categorical Excluded Subject To § 58.5 (CEST) Activities

Proposed activities that qualify as Categorical Excluded Subject To § 58.5 (CEST) are activities that are not expected to require an Environmental Assessment or Environmental Impact Statement except under extraordinary circumstances. These activities are associated with:

- Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent;
- Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons;
- Rehabilitation of buildings and improvements when specific conditions are met;
- An individual action (other than rehabilitation of a residential building) on up to four dwelling units where there is a maximum of four units on any one site;
- An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site; or
- Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

A complete list of CEST activities is available in [24 CFR 58.35\(a\)](#). If the proposed project consists only of qualifying Exempt, CENST and CEST activities, the RE will need to complete the HUD [CEST Form](#) or the similar form provided by FloridaCommerce and provide supporting documentation demonstrating compliance with all the Compliance Factors listed on the form. HUD offers worksheets for each relevant law and authority to guide the review process. The proposed project may benefit from a Tiered approach if activities are repetitive. A Notice of Intent to Request Release of Funds (NOI-RROF) is required.

Environmental Assessment (EA)

A project that cannot be classified as Exempt or Categorical Excluded will require the completion of an 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 the use of the project site;
2. Any new construction;
3. Major rehabilitation;
4. A change in size or capacity of facilities or multi-family housing by more than 20 percent;
5. New single-family housing in which 5 or more homes are located within 2,000 feet of one another.

If the proposed project includes any qualifying EA activities, the RE will need to complete the HUD [EA Form](#) or the similar form provided by FloridaCommerce and provide supporting documentation demonstrating compliance with all the Compliance Factors listed on the form. The HUD worksheets related to law and authority should be used to guide the review process. A Combined/Concurrent Notice of Finding of No Significant Impact and Request for Release of Funds (FONSI/RROF) is required.

Environmental Impact Statement (EIS)

If the proposed project is determined to have a potentially significant impact on the physical and/or human environment, an EIS is required. This determination is based upon the environmental responses collected from the applicable agencies.

In the event this situation does occur, the RE 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.

REs should contact FloridaCommerce for assistance if they believe a project requires preparation of an EIS.

Tiered Approach

Tiering is a method for streamlining the environmental review process and increasing efficiency by enabling the RE to eliminate repetitive discussions of the same issues and focus on the actual issues ready for decision at each level of environmental review ([24 CFR 58.15](#)). The Tiered approach can be applied to proposed activities that qualify for CEST and EA level environmental reviews and consists of two phases (tiers): Broad-Level Review (Tier I) and Site-specific Review (Tier II). Collectively, the Broad-Level Review and Site-specific Review satisfy ERR requirements under 24 CFR Part 58.

Broad (Tier I) Review

Broad-Level Reviews (also known as the Unspecified Site Strategy) encompass geographical areas or neighborhoods which often share similar environmental characteristics. During the Broad-Level Review, the RE must consider all Compliance Factors (environmental laws and authorities). If the proposed activities can be determined to have no adverse impact on an environmental resource with respect to a particular Compliance Factor, compliance with the associated environmental law/authority should be documented and that Compliance Factor can be cleared during the Broad-Level 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 evaluating compliance must be developed and included in the Broad-Level Review. The protocol will establish parameters to achieve compliance for each unresolved Compliance Factor during the Site-Specific Review.

The RE should follow the guidance provided by FloridaCommerce's Steps for Developing an Unspecified Site Strategy and will need to complete either the [HUD Environmental Review Form](#) (when conducting a tiered CEST review) or adapt either the HUD [EA Form](#) or similar form for EAs provided by FloridaCommerce (for tiered EAs) to clearly document whether compliance was achieved at the Broad Level for each Compliance Factor. The RE will provide supporting documentation demonstrating compliance with all the Compliance Factors cleared during the Tier I review and provide a written strategy that documents the protocol for clearing the unresolved Compliance Factors. A Notice of Intent to Request Release of Funds (NOI-RROF) is required for CEST activities. A Notice of Finding of No Significant Impact and Request Release of Funds (FONSI/RROF) is required for Environmental Assessment activities. Regardless of whether a CEST or EA review is conducted, the public notice must clearly indicate the environmental review is tiered, that site specific reviews will be completed to address those laws and authorities for which compliance was not cleared during the Broad-Level Review and list the Compliance Factors to be evaluated at the Site-Specific level.

Site-Specific (Tier II) Review

The Tier II Site-Specific Review will address all outstanding potential impacts to environmental resources by assessing compliance with the Compliance Factors not previously cleared by the Broad-Level Review. The RE will use the protocol established in the Broad-Level Review to evaluate the unresolved Compliance Factors and document the outcome of that analysis using a Tier II Site-Specific Checklist developed for the specific project. Supporting documentation, at a minimum, should include:

1. Project site photographs,
2. Property tax card,

3. Site specific maps produced using mapping programs from the state and federal agencies related to any Compliance Factors not cleared during the Broad-Level Review,
4. Documentation of the status and potential impact of nearby Toxic and/or Hazardous Sites from relevant state or federal agencies, and
5. Correspondence from state or federal agencies documenting compliance.

1.3.3.4 Step 4: Complete and Document the Environmental Review

1. Agency Coordination (Consultation): Contact appropriate federal, state, and local agencies, and other known interested parties.
 - A. Provide a thorough project description/scope of work and invite participation in the consultation process.
 - B. Provide a minimum 30 days from the date of receipt for agency comments or concerns. Some agencies may require 45-60 days.
 - i. If a consulted party raises project concerns, requests further consultation, or requires further documentation and/or study, it is the RE's responsibility to address the issue and to obtain the necessary documentation, clearances and/or permits prior to certifying the review as complete and submitting the ERR to FloridaCommerce.
 - C. Letters delivered by U.S. mail shall be sent by "Certified Mail, Return Receipt".
 - D. Letters sent via email shall request a delivery receipt. The RE may also choose to request a read receipt.
 - E. Only the RE 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 RE's official letterhead, signed by the RE's Certifying Officer (e.g., mayor), and sent from a member of the RE's staff's email or mailing address.
 - F. Maintain a complete record of all correspondence for inclusion in the ERR.
2. Complete the relevant HUD or Department form (based on the level of review). Provide a detailed project description (scope of work) and include all HUD and non-HUD funded portions of a project or activity and the associated amount of funding from each source.
3. 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). The use of HUD worksheets for each Compliance Factor is highly recommended to streamline documentation and ensure a thorough review.
4. All maps should be in color with the project location marked (e.g., FEMA FIRM or FIRMette for floodplain management compliance).
5. At the conclusion of the environmental review, the RE's Certifying Officer will sign the ERR, certifying the project is appropriate for the level of review completed (e.g., CEST or EA), that all review requirements have been met, and the outcomes of the environmental reviews (environmental determination or finding).
6. Provide the appropriate public notice based on the review conducted (NOI-RROF for CESTs or a Combined/Concurrent Notice of FONSI and NOI-RROF for EAs). Ensure the public, relevant agencies, and known interested parties are allowed the required period of time to comment/respond based on the type of notice. The first day of the public comment period is the day after the notice is published or posted and the comment period must end on a workday (non-holiday and non-weekend day).

- A. For Tiered reviews, the public notice and public comment period follow completion of the Tier I review.
7. Address any comments received as a result of the public notice and maintain a complete record of all correspondence.
8. Once the public comment period is complete and any comments have been satisfactorily addressed, the RE's Certifying Officer signs the RROF (form 7015.15).
9. For subrecipients, the completed and signed ERR (including copies of all public notices and the any comments received) must then be submitted to FloridaCommerce along with the signed RROF.
10. FloridaCommerce is required to hold the RROF for 15 days to allow for objections to the release of funds. The objection period begins the date after the RROF is received and will be extended, if necessary, in order for the objection period to end on a workday.
11. The RE will be notified by FloridaCommerce, as applicable, if additional information is needed as a result of the ERR review. If any deficiencies are noted during FloridaCommerce's review, the subrecipient must provide the additional documentation requested and revise the ERR to include requested revisions.
12. Once the ERR has been cleared by FloridaCommerce, the 15-day hold for objections is complete, and any public comments addressed, FloridaCommerce will issue the Authority to Use Grant Funds (AUGF, form 7015.16) to the RE. No HUD or non-HUD funds may be committed to a project until the AUGF is received by the RE (except for administrative or similar activities adequately documented as Exempt or CENST, as described in this Manual).
13. For projects in which a site-specific Tier II environmental review is required, the Tier II ERR must be completed by the RE and submitted to FloridaCommerce for review. An additional site-specific clearance must be received from FloridaCommerce prior to expenditure of non-Exempt funds on the individual project site.
14. Projects for which the AUGF (7015.16) was previously issued but the scope of work has changed must comply with 24 CFR 58.47. Prior to the commitment of funds for new project activities, an updated ERR is to be submitted to FloridaCommerce, and the new scope of work must receive Department clearance.

1.3.4 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.

1. Early Notice and Public Review of a Proposed Activity in a 100-Year Floodplain or Wetland
 - A. Public Comment Period: 15 days (publication required)
2. Final Notice and Public Review Explanation of a Proposed Activity in a 100-Year Floodplain or Wetland
 - A. Public Comment Period: 7 days (publication required)
3. Notice of Intent to Request Release of Funds (NOI-RROF)
 - A. Public Comment Period: 7 days (published); 10 days (posted)
4. Concurrent Notice – Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds
 - A. 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) and the ERR is to include a notarized statement from an official with knowledge of the placement and timing of the posting verifying the locations posted.

1.3.5 Procedures for Making Determinations on Floodplain & Wetland Management

Projects located within a floodplain or a designated wetland are subject to Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands). HUD regulations describe measures for protecting floodplains and wetlands. The required 8-Step Decision-Making Process must be completed for these projects and is summarized below. For more information on the 8-Step Process, see [24 CFR 55.20](#).

1. **Step 1:** Determine whether the proposed action is located in a 100-year floodplain (500-year floodplain for critical actions) and/or would result in new construction in a wetland. This is determined by reviewing FEMA Floodplain Maps and Wetlands Maps available from sources such as the US Fish and Wildlife Service. If no maps are available, use the best available information. If the proposed action would not be conducted in a 100-year floodplain (500-year floodplain for critical actions) and/or would result in new construction in a wetland., then no further compliance with these Compliance Factors is required. Categorically Excluded projects that are subject to 24 CFR 58.5 (CEST) are NOT excluded from this process. CENST (Categorically Excluded, not subject to 58.5) ARE excluded from this requirement.
2. **Step 2:** Notify the public as early as possible if a proposed project includes an action in a floodplain and/or will result in new construction in a wetland and involve the affected and interested public in the decision-making process. This process begins with publication of 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 published in the pertinent language if the affected public is largely non-English speaking.
 - C. Notices must be sent to federal, state, and local public agencies, organizations, and individuals known to be interested in the proposed action, including FEMA.
 - D. A minimum of 15 calendar days shall be allowed for comment on the Early Public Review Notice.
 - E. A notice under this paragraph shall state: the name, proposed location, and description of the activity; the name and title of the Certifying Officer (CO), and phone number to contact for information. The notice shall indicate the hours of operation for the Unit of Local Government (UGLG's) at which a full description of the proposed action may be reviewed.
3. **Step 3:** Identify and evaluate practicable alternatives to locating the proposed action within the floodplain and/or wetland.
 - A. The consideration of practicable 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 practicable alternatives, the RE shall consider feasible technological alternatives, hazard reduction methods, related mitigation costs, environmental impacts and the social and economic value of the various alternatives.

4. **Step 4:** Identify the potential direct and indirect impacts associated with the occupancy or modification of the floodplain and/or wetland and the potential for future development of the floodplain or wetlands as a foreseeable result of the project.
5. **Step 5:** Where practicable, 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.
6. **Step 6:** Re-evaluate the proposed action to determine:
 - A. Whether it is still practicable 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 practicable in light of the information gathered in Steps 4 and 5 of this section.
7. **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 RE 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, including FEMA.
 - C. In addition, a minimum of 7 calendar days shall be provided for public comment before the approval of the proposed action.
8. **Step 8:** Upon completion of the decision-making process in Steps 1 through 7, the implementation of the proposed action will proceed. There is a continuing responsibility to ensure that the mitigation measures identified in Step 7 are executed.

1.3.6 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 RE 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:

- Include a written statement, on the RE's letterhead, explaining why the re-evaluation must occur and how it was conducted.
- Reference the original ERR and the issuance of funds (AUGF, 7015.16).
- Describe the new project activities.
- Provide maps delineating both old and new project areas, if different.
- Include all correspondence and associated documentation from all relevant agencies contacted.
- Cost of the project and funding source(s).
- Determine if the original FONSI or other environmental determination is still valid [see 24 CFR 58.47 (b)(1)].
- Indicate whether comments or concerns were received during the initial environmental review.
- Utilize Statutory Worksheet or Environmental Assessment documents, if applicable.

- Include a written statement, signed and dated by the RE.

If it is determined that the original findings are no longer valid, and the re-evaluation indicates potentially significant impacts, the RE must prepare the next higher level Environmental review (EA or EIS).

1.3.7 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.

1.3.7.1 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 any project converting from previously non-residential structures to housing, and must be addressed in any such activity receiving CDBG-DR funds.. Housing units assisted with disaster recovery funding must comply with the federal regulations in 24 CFR Part 35. Subrecipients are required to include an assessment of the presence of lead-based paint in their environmental documentation submitted to FloridaCommerce. If lead-based paint is present in residential properties, the safe containment, mitigation, and 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 the elderly (specifically retirement communities or similar types of housing reserved for households composed of one or more persons meeting the age requirements of [24 CFR 35.110 “Housing for the elderly”](#)) or for 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 (However, 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 the 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, the designated party may, if requested by SHPO, conduct interim controls, maintenance, and reevaluation in accordance with 24 CFR 35.115(13).

For more information, please review [24 CFR 35.115](#).

24 CFR 35 Subparts B, J, K, and R are collectively referred to as the Lead Safe Housing Rule and require different approaches to addressing lead-based paint hazards in different housing rehabilitation projects based on the amount of funding assistance. The funding levels are (1) up to and including \$5,000 per unit, (2) more than \$5,000 up to and including \$25,000 per unit, and (3) more than \$25,000 per unit. The method for calculating these amounts can be found in [24 CFR 35.915](#), and the applicable evaluation and hazard reduction requirements are located in [24 CFR 35.930](#).

More information on monitoring for lead-based paint is available in [HUD's CPD Monitoring Handbook \(6509.2\)](#).

1.3.7.2 Asbestos

The subrecipient is required to address asbestos in their environmental evaluation of a housing rehabilitation or demolition project and must include plans to address it in the environmental documentation submitted to FloridaCommerce.

HUD does not have specific regulations related to addressing asbestos. 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 prior to January 1, 1989. 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 the Clean Air Act and Occupational Safety and Health Act requirements. Subrecipients should consult with the appropriate District Office of the Florida Department of Environmental Protection for state requirements related to implementation of EPA asbestos regulations.

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

1.3.7.3 Mold

Mold can be a significant problem in homes that receive water damage due to a qualifying storm event. 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. 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."

Additional information can be found at: <http://archives.hud.gov/news/2004/pr04-087.cfm>. Chapter 468, Florida Statutes, addresses licensing and qualifications for individuals conducting mold assessments.

1.4 Acquisition and Relocation

1.4.1 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.

The state's Uniform Relocation Assistance Guide and Residential Anti Displacement and Relocation Assistance Plan (URA and RARAP Plan) is located on the OLTR page at www.FloridaJobs.org/CDBG-DR. This plan, which will be amended as needed to reflect disaster-specific activities, will ensure subrecipients minimize displacement. The URA provides certain displaced persons with the right to benefits for moving expenses, housing counseling services, rental assistance payments, and/or housing replacement costs depending upon the nature of the circumstances requiring relocation.

It is the responsibility of the FloridaCommerce Disaster Recovery Subgrantee manager to coordinate with the Subgrantee to ensure that any activities undertaken meet the applicable URA requirements. FloridaCommerce's Office of Long-Term Resiliency 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:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/13780

1.4.2 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](#).

1.4.2.1 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.
2. The replacement units must be located in the subgrantees' jurisdiction and to the extent possible, within the same neighborhood.
3. 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.
4. The units must be in standard condition. Replacement housing can be obtained from substandard units improved to standard condition provided:
5. No person was displaced from the unit, and

6. The unit was vacant for three months before an agreement was executed with the property owner.
7. 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.
8. 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.
9. 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:
 10. A description of the proposed assisted activity.
 11. A map of the location and identify the number of dwelling units by size (number of bedrooms) that will be demolished or converted.
 12. A time schedule for the commencement and completion of the demolition or conversion.
 13. 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.
14. The source of funding and the time schedule for providing the replacement units.
15. 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.
16. 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.
17. 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.

1.4.3 URA Regulation, 49 CFR 24 Requirements

1.4.3.1 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.

1.4.3.2 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.

1.4.3.3 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: FloridaCommerce's CDBG program requires records retention for six years.
9. Appeal procedures.

Subpart B: Real Property Acquisition Requirements

1. Applicability of acquisition requirements.
2. Basic acquisition policies.
3. Criteria for appraisals.
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

1.4.4 Minimizing Displacement, 24 CFR 570.606 Requirements

1.4.4.1 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.

1.4.4.2 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:
 5. 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
 6. 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
 7. 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 is 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 anti-displacement 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.

1.5 System of Record

FloridaCommerce'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.

1.6 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 determination(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 contiguous 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.

1.6.1 Construction Categories

Under DBA, construction work is categorized as residential, building, heavy or highway work. Wage determinations are based on the category (or categories) of work to be performed. Each construction contract to which DBA applies must contain the wage determination(s) for the appropriate category (or categories) of work. A separate wage determination 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 determination is used. If more than one wage determination is used, payrolls must reflect which wage determination is applicable unless all workers are paid at least the highest hourly rate possible under either wage determination.

1.6.2 Wage Decisions

After determining the proper labor categories, the local government should find the applicable wage determination number from SAM.gov. The wage determination document should be saved and stored in subrecipient DBA records. Since wage determinations are subject to change, the wage determination must be saved no earlier than 10 days prior to advertisement. If more than one wage determination is used, bidding instructions must identify which portions of the work are covered by each wage determination. 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.

Subrecipients should check wage determinations each month to ensure that no changes have been made. The FloridaCommerce Mitigation program tracks wage determinations through monthly reporting. Local governments are responsible to ensure that wage determinations are current and to inform contractors of any relevant changes. All wage determination checks should be tracked by the

subrecipient. The applicability of a wage determination 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).. 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 determinations.

A contract should not be awarded prior to FloridaCommerce'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. Additionally, a copy of the executed contract should be provided to FloridaCommerce.

1.6.3 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 weekly. 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). While conducting on-site interviews, subrecipients must verify that the applicable wage determination(s) has been posted in a conspicuous location using the poster WH 1321. Evidence that the poster is displayed and easily viewed must be kept in subrecipient project files.

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 Long-Term Resiliency. 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 FloridaCommerce.

FloridaCommerce will monitor compliance with labor standards until the project is complete. During monitoring visits, special attention will be given to the following:

- Ensuring payroll information is being submitted and reviewed weekly.
- Ensuring all labor classifications are included in the wage determination or have been conformed and/or added with FloridaCommerce 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 Department of Labor. If trainees or apprentices are used, the contractor must provide a copy of the state certification to the subrecipient and the FloridaCommerce 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 determination or is vague (i.e., “operator”);
- Failure to obtain subcontractor payrolls and/or failure to review payrolls weekly;
- 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 determination when two are required based on the type of work in each category; and
- Payrolls failing to reflect which wage determination(s) is applicable to which worker, particularly if two wage determinations are used, and workers are not paid the highest hourly rate possible for that classification.

1.6.4 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.

1.6.5 Semi-annual Reports

Every six months, the FloridaCommerce 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:

- Making Davis-Bacon Work: A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects (<http://portal.hud.gov/hudportal/documents/huddoc?id=4812-LRguide.pdf>)
- Making Davis-Bacon Work: A Practical Guide for States, Indian Tribes and Local Governments (<https://www.hudexchange.info/resources/documents/Making-Davis-Bacon-Work-Guide-States-Indian-Tribes-Local-Agencies.pdf>)
- Basically CDBG for States (<https://www.hudexchange.info/resource/269/basically-cdbg-for-states/>)
- Community Development Block Grant Toolkit on Crosscutting Issues, Module 3: Federal labor Standards (http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_15953.pdf)

1.6.6 Record Keeping Related to Labor Standards and the Davis-Bacon Act

Local governments must maintain records documenting compliance with labor standards. At minimum, documentation must be obtained concerning:

- SAM.gov debarment check for vendors, contractors, and subcontractors;
- Applicable wage determinations. If more than one wage determination was used, there must be a written record for which wage classification was used for each wage determination;
- Approvals for wage classification requests;
- Employee-signed agreements to non-standards deductions;
- Certified Payroll Reports for prime and subcontractors;
- Signed statements of compliance to accompany each Certified Payroll Report;
- Evidence of any resolution to Davis-Bacon and Related Acts (DBRA) violations;
- Records of employee interviews using form HUD-11;

Evidence of any work site visits that were conducted.

1.7 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.

1.7.1 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.

1.7.2 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.

The State of Florida Analysis of Impediments to Fair Housing Choice can be found in the 5-year Consolidated Action Plan at <http://www.floridajobs.org/docs/default-source/2015-community->

[development/community-revitalization/cdbg/annual-action-plan/conplan2024aap2020.pdf?sfvrsn=a32c4ab0_2](https://www.hud.gov/development/community-revitalization/cdbg/annual-action-plan/conplan2024aap2020.pdf?sfvrsn=a32c4ab0_2). It is current through 2024 and contains useful data.

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.

1.7.3 Fair Housing Complaints

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

CMS@Commerce.fl.gov

1.7.4 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.
- Evaluating local recruitment, hiring, and other personnel policies and materials to ensure that they do not contain or perpetuate discriminatory intent, practices, or procedures.
- Reviewing job turnover to determine vacancy patterns and to plan appropriate recruiting efforts.
- Establishing entry-level professional positions to provide career opportunities for employees, particularly for minorities and women.

- Working with the private sector to fill job openings that result from economic development activities, establishing procedures that facilitate nondiscrimination and increased opportunities for women, minorities, disabled, and lower-income residents.
- Taking affirmative action to overcome the effect of past discrimination.
- Advertising as an equal opportunity employer in bid solicitations.
- Soliciting bids from minority, women and locally owned businesses.
- Maintaining a list of locally owned businesses that were awarded contracts.
- Informing contractors of equal opportunity requirements at the pre-construction conference or through other means of notification.
- Monitoring contractor compliance at work sites.

1.7.5 Record Keeping Related to Civil Rights

The State, unit of general local government (UGLG)

must maintain records documenting compliance with fair housing, equal opportunity, and civil rights requirements. At minimum, documentation must be obtained concerning:

- Employment in each local government operating unit which performs CDBG-DR 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-DR 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, sex of heads of households, and number of elderly citizens 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-DR 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-DR funded program.

1.8 Section 3

1.8.1 Section 3 Compliance

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires FloridaCommerce to ensure that employment and other economic and business opportunities generated by HUD financial assistance, to the greatest extent feasible, are directed to low-and very 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 FloridaCommerce's OLTR to ensure that economic opportunities generated from 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. OLTR 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.

OLTR 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 disaster declared areas throughout Florida and other qualified low- and very low-income persons. OLTR hopes to strengthen local economies and level the playing field for Section 3 workers and businesses who are most vulnerable post-disaster.

This policy will ensure that, in good faith, OLTR will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 workers and other eligible persons and Section 3 business concerns working on contracts partially or wholly funded with the HUD monies. OLTR 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 workers and business concerns prior to acting on any proposed contract award.

OLTR will encourage any entity receiving assistance through CDBG-DR 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.

The requirements of Section 3 are dependent upon the date of contract award.

- Contracts awarded before November 30, 2020 are subject to the Section 3 requirements in 24 CFR 135,
- Contracts awarded on or after November 30, 2020 are subject to the Section 3 requirements in 24 CFR 75

Contracts subject to 24 CFR 75 are also responsible for meeting the compliance requirements of 24 CFR 135 unless superseded by 24 CFR 75.

1.8.2 Section 3 Thresholds

Under the Housing and Community Development Assistance (HCDA) of 1974, recipients of HUD funds are required to comply with Section 3 on a per-project basis for all projects of at least \$200,000, rather than per contracted program activity. For individual projects under \$200,000, Section 3 is encouraged but not required. 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.

FloridaCommerce has incorporated Section 3 requirements into its program policies and has adopted a Section 3 contracting policy to be included in procurements with HUD funding. Section 3, 24 CFR 135, and 24 CFR 75 do not supersede 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 worker 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 and capability to perform successfully under the terms and conditions of the proposed contract. As acknowledgment of the Section 3 contracting and employment provisions required by this section, all contractors, as appropriate, seeking Section 3 preference must complete certification documents.

FloridaCommerce and covered contractors, 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.

Contracts Awarded before November 30, 2020 (24 CFR 135)

Contracts awarded before November 30, 2020 are subject to the requirements of 24 CFR 135. Under this regulation, recipients of Housing and Community Development Assistance of at least \$200,000, and contractors or subcontractors that receive awards in excess of \$100,000 are subject to Section 3 requirements.

Contracts Awarded on or after November 30, 2020 (24 CFR 75)

Contracts awarded on or after November 30, 2020 are subject to the requirements of 24 CFR 75. Under this regulation, compliance with Section 3 is required for a recipient of Housing and Community Development Assistance on a per-project basis rather than per contracted program activity.

24 CFR 75.3(a)(2) defines project as the site(s) together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. For individual projects with funding under \$200,000, Section 3 is encouraged but not required.

1.8.3 Section 3: Good Faith Effort

Safe harbor can be achieved through qualitative efforts made towards compliance such as outreach, training/apprenticeship opportunities, procurement, and/or technical assistance. OLTR 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. Examples of qualitative efforts include, but are not limited to:

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 workers 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 exists. 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.

For contracts awarded before November 30, 2020, 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.

1.8.4 What is a Section 3 Worker?

A Section 3 Worker is any employee who meets one of the following categories at the time of project or within five years of project start date or hire, whichever is later:

- The worker's income for the previous or annualized calendar year is below 80% of the area median income for the area in which the worker resides. Use the worker's annual gross income based on AMI for a single-person household; or
- The worker is employed by a Section 3 business concern; or

- The worker is a YouthBuild participant.

FloridaCommerce or its subrecipient 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.

Current Section 3 workers who were certified under 24 CFR 135 must be re-certified under 24 CFR 75.

Contracts Awarded on or after November 30, 2020 (24 CFR 75)

For contracts awarded on or after November 30, 2020, per 24 CFR 75, there are additional requirements regarding total project hours that must be worked by Targeted Section 3 Workers.

A Targeted Section 3 worker is a Section 3 worker who is:

- A worker employed by a Section 3 Business concern; or
- A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - A resident of public housing or Section 8-assisted housing;
 - A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - A YouthBuild participant.

For Targeted Section 3 workers, grantees must document one of the following:

- Employer's confirmation that a worker's residence is within the Section 3 service area
- Employer's certification that the worker is employed by a Section business concern; or
- Worker's self-certification of YouthBuild participation.

1.8.5 What is a Section 3 Business Concern?

What determines a Section 3 Business Concern is dependent upon the date of contract award.

Contracts Awarded before November 30, 2020 (24 CFR 135)

For contracts awarded before November 30, 2020, a Section 3 Business Concern refers to a business that meets at least one of the following criteria:

- 51 percent or more owned by Section 3 Workers, or
- At least 30 percent of employed staff are currently Section 3 Workers or were Section 3 Workers within three years of the date of first employment, or
- 25 percent or more of subcontracts committed to Section 3 Business Concerns

Contracts Awarded on or after November 30, 2020 (24 CFR 75)

For contracts awarded on or after November 30, 2020, a Section 3 Business Concern refers to a business that meets at least one of the following criteria, documented within the last six-month period:

- At least 51 percent or more owned and controlled by low-or very low-income persons;
- Over 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers; or
- A business at least 51 percent owned and controlled by current public housing residents or resident who live in Section 8-assisted housing.

The six-month period starts the date the contract is executed or at any later point while the project is underway.

1.8.6 Section 3 Goals

FloridaCommerce 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, OLTR will comply with the minimum numerical goals listed below.

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.

Contracts Awarded before November 30, 2020 (24 CFR 135)

Contracts awarded before November 30, 2020 must meet the following conditions in order to be in compliance with section 3 requirements:

1. 30 percent of the aggregate number of new hires, and
2. 10 percent of the total dollar amount of covered construction contracts, and
3. 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.

Contracts Awarded on or after November 30, 2020 (24 CFR 75)

OLTR will comply with the minimum numerical goal that 25 percent of the total project hours be completed by Section 3 workers, with 5 percent or more of the total hours of a project performed by targeted Section 3 workers.

Professional services that require specialized degrees or licensing are not subject to Section 3.

1.8.7 Section 3 Workers Recruitment, Training and Employment

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

- Promoting outreach to recruit Section 3 workers through local community action agencies;
- Endorsing outreach to recruit residents in receipt of public housing assistance;
- Advocating outreach to recruit Section 3 business concerns;
- Encourage training and employment of Section 3; and
- Documenting actions taken to comply with Section 3.

1.8.8 Section 3: Developers and Contractors Obligations

Under OLTR'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 workers 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 workers.
4. Maintain proper documentation of utilization of Section 3 eligible business concerns.

1.8.9 Section 3 Reporting

All contractors and subrecipients are required to maintain documentation demonstrating compliance with the Section 3 Final Rule established in 24 CFR 75, and must be made available to FloridaCommerce

upon request for monitoring. Contractors and subrecipients will submit their collected information to FloridaCommerce through their Quarterly Performance Reports.

In accordance with 24 CFR part 75, annual Section 3 reports are required to be submitted by FloridaCommerce to HUD through the Disaster Recovery Grant Reporting System (DRGR) and are due by July 1st of each year. The report measures OLTR's effort in meeting the minimum numerical goals.

1.8.10 Section 3: 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 OLTR as the recipient of HUD funds
- Assisting in training the OLTR 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:

- Ensuring that Section 3 Clauses are all Bid Documents
- Ensuring that Section 3 Contract Clauses are in contracts for Section 3 covered activities
- Informing contractors or subrecipients of the language necessary to include in their agreements with all lower tiered contracts for Section 3 covered projects
- Serving as point of contact for information regarding Section 3 compliance, reporting, business certification process and all other related matters
- Ensuring that subrecipients have not entered into contracts with contractors that fail to comply with Section 3
- Advocating outreach to recruit Section 3 business concerns
- Encourage training and employment of Section 3 workers
- Documenting actions taken to comply with Section 3 requirements, results of actions taken, and any impediments

Contractors' responsibility for Section 3:

- **For Contracts Awarded before November 30, 2020 (24 CFR 135)**
 - 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 workers 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 workers
- **For Contracts Awarded on or after November 30, 2020 (24 CFR 75)**
 - Meeting quantitative efforts

- 25 percent total labor hours performed by Section 3 Workers
- 5 percent total labor hours performed by Targeted Section 3 Workers
- Meeting qualitative efforts by providing opportunities to low- and very low-income persons. Examples of qualitative efforts include:
 - Conducting employment outreach to Section 3 eligible business concerns and Section 3 workers for sub-contracting and business opportunities
 - Accepting and giving preferential business engagement consideration to Section 3 business concerns
 - Providing training opportunities for Section 3 Workers
- Documenting outreach efforts related to eligible business concerns and Section 3 workers
- Documenting compliance efforts and submit timely reports to UGLG/Subrecipient/FloridaCommerce, as appropriate.

Subrecipient responsibilities include:

- Notifying Section 3 workers about training and employment opportunities and Section 3 businesses about contracting opportunities
- Inserting Section 3 Clauses into all Bid Documents
- Inserting Section 3 Contract Clauses into contracts for Section 3 covered activities
- Informing contractors of the language necessary to include in their agreements with all lower tiered contracts for Section 3 covered projects
- Serving as point of contact for contractors 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
- Providing quarterly updates of both quantitative and qualitative efforts for Section 3 compliance in quarterly reports
- 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 workers through local community action agencies
- Endorsing outreach to recruit workers 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.

1.8.11 Record Keeping Related to Section 3

Local governments must maintain records documenting compliance with Section 3 requirements. At minimum, documentation must be obtained concerning:

- Evidence of Section 3 Worker status
- Evidence of Section 3 Business Concern status
- Evidence of completed Qualitative Best Efforts
- Actions undertaken to meet Section 3 requirements and the written Section 3 Plan.

1.9 Constituent Management Services

1.9.1 Constituent Complaints and Inquiries Procedures

All complaints and inquiries that are brought forward to FloridaCommerce will be addressed through the Office of Long-Term Resiliency'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 the Constituent Management Services (CMS) Log. 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 provide a written response to all complaints within 15 working days of receipt of the complaint via email or U.S. mail. Following the initial response, the state will make every effort to provide a resolution to complaints within the 15-working day period. If a resolution cannot be reached within the 15-working day period, the complainant will receive a status update on the issue(s) and, if possible, a timeframe for when a resolution can be reached. Constituent Management Services Lead will monitor response times to ensure compliance and will adjust timeframes for additional responses as needed.

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 appropriately addresses their needs, while complying with Program requirements as well as state and federal regulations.

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 FloridaCommerce:
 - 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 Commerce
Division of Community Development
107 East Madison Street Caldwell Building, MSC 420
Tallahassee, Florida 32399

- C. Via email to: CMS@Commerce.fl.gov
 - D. Contacting Constituent Management Services (CMS) staff directly. CMS e-mail addresses and phone numbers are listed on the Office of Long-Term Resiliency'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.

1.9.2 FloridaCommerce URA Appeals

Applicants may appeal any case in which he or she believes that FloridaCommerce has failed to properly consider his or her application for assistance. This includes, but is not limited to, the applicant's eligibility for, or the amount of, a payment required for relocation assistance. The applicant must appeal within 60 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

Households have the right to appeal the following agency determinations:

- Eligibility for URA assistance, including the requirement to relocate
- Amount of relocation or other related expense payments
- Timeframe to exercise rights and entitlements of URA, including relocation timeframes

Households are encouraged to include any statement of fact or other material which they feel has a bearing on the appeal. Agency representatives may assist households in their appeal submission.

Appeals must be submitted within sixty (60) days of the date the person receives notification of FloridaCommerce's decision regarding his or her claim and must be directed to FloridaCommerce in writing to the following postal address:

ATTN: URA APPEALS
Florida Department of Commerce
Division of Community Development
107 East Madison Street
The Caldwell Building, MSC 420
Tallahassee, Florida 32399

For more information see Office of Long-Term Resiliency's Uniform Relocation Assistance Guide and Residential Anti-Displacement and Relocation Assistance plan that can be found [here](#).

1.9.3 Anti-Fraud, Waste, and Abuse

Rebuild Florida 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@Commerce.fl.gov.

All suspected cases of fraud will be taken seriously, and complaints will be reported to OLTR's Compliance and Reporting Manager and FloridaCommerce's Office of the Inspector General at

OIG@Commerce.fl.gov. If FloridaCommerce'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 FloridaCommerce's HUD Community Planning and Development (CPD) Representative. *OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in 84 FR 169.*

Office of Long-Term Resiliency's comprehensive Anti-Fraud Waste and Abuse Policy can be found [here](#).

1.9.4 Public Records Request

Pursuant to Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes, the Department of Commerce 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 FloridaCommerce can be requested and provided for inspection. All Public Records requests will be processed in accordance with FloridaCommerce 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. FloridaCommerce cannot mandate receipt of the name of the requestor or purpose of the request in order to fulfill the Public Records Request.

A Public Record is defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance, or in connection with the transaction of official business by any agency.

Public records include all things made or received in connection with FloridaCommerce 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.

A revision to Chapter 119 went into effect on July 1, 2020 per Senate Bill 966 from the 2020 Florida State Legislature regular session that directly effects the Department of Commerce and its disaster recovery programs.

As a general matter, all Program related information is subject to Florida's public records laws, which may be viewed by anyone upon request. There are limited exemptions to Florida's public record laws. The following list of exemptions are applicable to the Rebuild Florida Program:

- Social security numbers; and/or
- Bank account numbers; and/or
- Documentation related to ongoing litigation and legal negotiations; and/or
- Limited proprietary information; and/or
- Certain persons in qualifying categories, E.G. active or former sworn or civilian law enforcement personnel; current or former firefighters certified in compliance with s. 633.408; current or former justices of the Supreme Court, district court of appeal judges, circuit court judges, and county court judges; current or former state attorneys, assistant state attorneys, statewide prosecutors, or assistant statewide prosecutors.

Senate Bill 966 retained the above exemptions, and expanded exemptions to include the following "Other Personal Information" relative to information held by the Department of Commerce, et al:

- Medical history records and information related to health; and/or
- Information related to property insurance; and/or
- Property photographs; and/or

The above items, personal identifying information (information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual), are considered confidential and exempt from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution per Senate Bill 966.

To read Senate Bill 966 in its entirety, go to:
<https://www.flsenate.gov/Session/Bill/2020/966/BillText/er/PDF>

As an agent of FloridaCommerce and all subcontractors and employees are subject to Florida Public Record laws. All project documents and communications, even in draft form, are considered public records including, but not limited to, policies, training material, letters, emails, memos and texts. Any document or communication related to the project, that are not exempt, is a public record.

The Public Record Coordinator is the person appointed by FloridaCommerce 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 FloridaCommerce's compliance with public record/open government requirements and maintains a complete record of all FloridaCommerce public record requests and corresponding disclosures. The Public Records Coordinator also serves as the primary liaison between FloridaCommerce and the Office of Open Government in the Executive Office of the Governor.

The Office of Long-Term Resiliency's Constituent Services Management Lead will act as a Public Record Division Liaison and is the primary contact for all public record requests regarding the Office of Long-Term Resiliency/Rebuild Florida Program. The Office of Long-Term Resiliency'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.

1.9.4.1 Public Records Request Procedure

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@Commerce.fl.gov) 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 FloridaCommerce.
2. When a Division Liaison receives a Public Records Request:
 - A. Division Liaisons will immediately forward the request to the Public Records Coordinator (PRRequest@Commerce.fl.gov) 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 FloridaCommerce.
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@Commerce.fl.gov). 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.

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.

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.

1.9.5 Reconsideration Requests and Appeals

In accordance with 24 CFR 91 Citizen Participation Plan and 24 CFR 570.486(a) (7), the HRRP has developed the reconsideration, appeals and complaints process. Through the reconsideration process, applicants have a mechanism for requesting further review on a decision made on their file. 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. Program policies are not appealable. In addition, citizens may file complaints- both formal and informal- which will be responded to in 15 working days.

Information about the right and how to file a reconsideration request, agency informal appeal and complaint will be printed in all guidelines and posted on the Rebuild Florida website, www.rebuildflorida.gov, in all local languages, as appropriate and reasonable. Complaints regarding fraud, waste or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

1.9.5.1 FloridaCommerce Requests for 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.

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. Duplication of Benefits (DOB) Gap
2. Scope of Work
3. Completed Repair Estimates (CRE)

Reconsideration request of local program decision. A party requesting reconsideration must file a written request for reconsideration with the HRRP to request a review within (30) calendar days of the date of the Award Acknowledgement Letter and before execution of a homeowner grant agreement, whichever occurs first. The written request must include specific information relating to the reconsideration 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:

1. Acknowledgment of receipt of the request for reconsideration and notification that the review of the applicant file may take longer than 15 working days;
2. Request for additional supporting documentation or information from the applicant;
3. Status of the investigation and estimated timeframe for decision; or
4. Final determination of the issue to:
5. Concur with the request and make the appropriate adjustments to the staff member's decision; or
6. 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 order to request a reconsideration, please submit a written notice to CDBG-DR.Reconsiderations@Commerce.fl.gov or submit by postal mail to the following address:

Florida Department of Commerce Division of Community Development
Attention: Office of Long-Term Resiliency, Appeals Team
107 East Madison Street,
Caldwell Building, MSC 420
Tallahassee, FL 32399

1.9.5.2 Appeals Process

FloridaCommerce Informal Appeal

The decision of the HRRP can be further reviewed through an agency informal appeals process. Appeals may be lodged only upon the deliverance of an adverse program decision regarding eligibility or closure of an application, and only within the parameters set by the Appeals procedure. A party requesting a FloridaCommerce informal appeal must file a written request for informal appeal within 30 days of the Eligibility Determination Letter and before the applicant executes a homeowner grant agreement with the Program, whichever occurs first. In an informal appeal, FloridaCommerce will conduct investigations, as necessary. In addition, an informal appeals hearing will be held, as necessary. The informal appeals hearing will be held by telephone with all involved parties on a conference call. After the request for a FloridaCommerce informal appeal is filed, the following events will occur:

1. A Notice of Hearing will be mailed, listing the date, time and contact information for the scheduled hearing; and
2. Once the appeal hearing is complete, a decision of the result will be distributed.

Applicants may file an informal appeal through the Disaster Recovery email at CDBG-DRAppeals@Commerce.fl.gov or submit by postal mail to the following address:

Florida Department of Commerce
Division of Community Development
Attention: Office of Long-Term Resiliency, Appeals Lead
107 East Madison Street, Caldwell Building, MSC 420
Tallahassee, FL 32399

Formal Appeal / Notice of Administrative Appeals Rights

Any person whose substantial interests are affected by FloridaCommerce's determination has the opportunity for an administrative hearing with the Division of Administrative Hearings 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.

Any petition must be filed with the Agency Clerk within 30 calendar days of receipt of FloridaCommerce's Informal Appeal Determination Letter. A petition is filed when it is received by:

Agency Clerk Department of Commerce
Office of the General Counsel
107 East Madison Street, MSC 110
Tallahassee, Florida 32399-4128
Fax: (850) 921-3230
Email: Agency.Clerk@Commerce.fl.gov

If an applicant files a request for a FloridaCommerce informal appeal, the requirement to timely file a petition challenging agency action will be tolled until a decision is rendered by FloridaCommerce. 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 informal appeal.

1.9.6 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.

FloridaCommerce's Citizen Participation Plan is available as a separate attachment.

1.9.7 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 FloridaCommerce 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.

FloridaCommerce's Communication Strategy is available as a separate attachment.

1.9.8 Management of the Website

1.9.8.1 Introduction and Purpose

FloridaCommerce manages a set of disaster recovery webpages and a set of webpages devoted to Rebuild Florida programs that serve as the primary repository of information for the state of Florida's disaster recovery and mitigation actions and resources. See <http://www.floridajobs.org/CDBG-DR> and <http://www.floridajobs.org/rebuildflorida/>. 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.

1.9.8.2 Action Plan

FloridaCommerce 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, FloridaCommerce will provide for the ability for the public to submit comments relative to the items covered in the initial Action Plan and subsequent amendments.

Initial Action Plan

The initial Action Plan for CDBG-DR activities will be posted to FloridaCommerce'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 FloridaCommerce's website.

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 FloridaCommerce’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 FloridaCommerce’s language analysis of Limited English Proficient (LEP) Floridians in impacted areas. FloridaCommerce will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP. FloridaCommerce’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.

FloridaCommerce will notify HUD of non-substantial amendments to the initial Action Plan but will not post them to the FloridaCommerce’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, FloridaCommerce will post the non-substantial amendment to its website.

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

Master Action Plans

FloridaCommerce 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 FloridaCommerce’s website.

Public Comments

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

Florida Department of Commerce
Office of Long-Term Resiliency
The Caldwell Building
107 East Madison Street, MSC-420
Tallahassee, FL 32399
CDBG-DR@Commerce.fl.gov

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

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.

1.9.8.3 Reporting

As required by HUD and furthering FloridaCommerce’s commitment to transparency, FloridaCommerce 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. FloridaCommerce will post each QPR when it is

submitted to HUD. Initially, the report will be labeled as “Pending HUD Approval” until FloridaCommerce receives notification from HUD that the QPR has been reviewed and accepted.

1.9.8.4 Grants Management

FloridaCommerce 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 FloridaCommerce manages the recovery dollars.

Policy Manual

FloridaCommerce’s Office of Long-Term Resiliency (OLTR) Policy Manual sets forth the policies and procedures by which FloridaCommerce 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 FloridaCommerce will ensure that the latest version of the manual is available on its website.

Internal Controls

In addition to the topics covered in the FloridaCommerce’s Policy Manual, FloridaCommerce 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 FloridaCommerce’s Office of Long-Term Resiliency coordinates reviews with staff from relevant bureaus/units on a quarterly basis to ensure that FloridaCommerce’s Policy Manual and the documents that address the internal controls accurately describe FloridaCommerce’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 OLTR’s operations will be made within 30 days of the change being approved.

Contracts

OLTR will post to its website copies of all executed contracts as well as a list of all OLTR and subrecipient contracts updated on a monthly basis. In addition, any substantial amendments to those contracts (e.g., contract value is increased, or scope of services is revised) will be posted to OLTR’s website.

Further, OLTR will make available information (via a link to FloridaCommerce’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.

Points of Contact

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

1.9.8.5 Accessibility of Information

FloridaCommerce strives to implement an all-inclusive recovery strategy that recognizes the diversity of the citizens of the state of Florida. To that end, FloridaCommerce 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 FloridaCommerce's CDBG-DR and website will utilize features allowing for automatic translation into the language of the reader's choice via Google translation services.

1.9.8.6 Website Maintenance Procedures

The OLTR'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 OLTR and from other areas of FloridaCommerce (e.g., Finance, Purchasing, etc.).

Florida Department of Commerce
Office of Long-Term Resiliency
Attention: Communications Specialist
107 East Madison Street
Caldwell Building, MSC 420
Tallahassee, FL 32399
(850)-717-8447
CDBG-DR@Commerce.fl.gov

FloridaCommerce also maintains a separate website created specifically for the Rebuild Florida programs (www.RebuildFlorida.gov).

1.10 Reporting, Records Management and Retention

FloridaCommerce will maintain Program records in accordance with FloridaCommerce policies and procedures for records retention. Regarding Program records that relate to individual property activities, applicant files will be maintained within the FloridaCommerce System of Record. The FloridaCommerce 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 FloridaCommerce-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 FloridaCommerce for FloridaCommerce retention upon contract closeout.

FloridaCommerce requires subrecipients 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 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 FloridaCommerce 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.

1.10.1 Personally Identifiable Information

OLTR shall safeguard the confidentiality of all personally identifiable information (PII) reviewed during any monitoring event. PII is defined under 2 CFR 200.79 and 2 CFR 200.82. For the purposes of this Monitoring Plan, PII includes without limitation, names, credit card numbers, social security numbers,

biometric data, bank account numbers, passport numbers, computer passwords, or any other health, financial, or employment information.

OLTR shall not appropriate for its own use or disclose any PII except to those persons directly concerned with the PII and only to the extent necessary to comply with Federal regulations.

OLTR may not store PII on computers, mobile devices, cellular telephones, and/or personal digital assistants, servers, and/or storage devices, including removable media, unless required for the performance of monitoring under this Monitoring Plan

1.10.2 File Security

All records will be maintained in an electronic format. File security is defined between FloridaCommerce and the System of Record vendor.

1.10.3 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.

1.10.4 Housing Program 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

1.10.5 Reporting Requirements for Housing Programs

The Program will maintain accurate files and records on each homeowner and will retain all pertinent documentation for the grant between HUD and FloridaCommerce. Compliance will be maintained in accordance with the reporting requirements as outlined in the FloridaCommerce policies and procedures. This includes all information and reports as required under the FloridaCommerce 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.

1.11 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 FloridaCommerce and IEM for Hurricane Irma disaster recovery programs as they relate to:

- Reporting (financial, monthly direct, and monthly subrecipient);
- State and federal audits;
- Cross-cutting requirements;
- Monitoring;
- Technical assistance and training;
- Records management and retention

1.11.1 FloridaCommerce 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.

1.11.2 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 Commerce (FloridaCommerce) Office of Long-Term Resiliency (OLTR)'s Community Development Block Grant Disaster Recovery (CDBG-DR) operation while reducing risks of HUD and program nonconformance. To achieve these objectives, OLTR 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

OLTR'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 OLTR 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 OLTR
- 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

1.11.2.1 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 OLTR/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
- Damage Assessment
- Scope of Work
- Grant Award Calculation and Agreement
- Subrogation Agreement
- Property Covenant
- Temporary Relocation Assistance
- Vendor Selection

Phase III: Construction

Phase III ensures that the construction phase is being implemented in accordance with the requirements of the program and the construction contract. QA/QC areas to be reviewed for the construction phase include:

- Contract Compliance to include on-sit inspection
- Lead-Based Paint Mitigation
- Progress Inspection
- Change Order Verification

Phase IV: 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:

- Contractor Eligibility and Licensure
- Project Bundling Process
- Construction Contract and Change Orders
- Interim Property Inspections
- Environmental Remediation and Notifications
- Compliance with URA
- Reassessment of Duplication of Benefits
- Cost Reconciliation

Phase V: 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:

- Final Acceptance of Work and Payment (including reconciliation of all project costs)
- Repair Warranty Notifications and Completion of Work
- Compliance Status of the Applicant

Phase VI: Appeals and Ineligible Applications

In addition to the previous phases that follow the lifecycle of the program, additional testing will be performed related to the appeal process and applicant disqualifications. A sample of applications from each will be reviewed to verify that the applications were processed in accordance with established procedures and that the determination made regarding the application's status is appropriately documented and supported.

Sampling

At this time, it is anticipated that 10% of all applicant files will be reviewed for compliance with federal, state, and local regulations and program policies. When a level of confidence in program outcomes has been achieved, OLTR may elect to adjust the sample size. 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 OLTR 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.

Training

Beyond the recommendations made in compliance review reports, QA/QC can be a valuable tool in educating program staff giving OLTR 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.

Conflicts of Interest

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.

1.11.3 Risk Assessment/Monitoring Procedure

OLTR will conduct a risk assessment on all programs in order to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. The risk assessment provides critical information to effectively target resources toward entities and programs that pose the greatest risk to the integrity of OLTR's CDBG-DR funding, including identification of the programs to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. This assessment will allow the state to minimize potential risk as it administers its CDBG-DR allocation. FloridaCommerce's Disaster Recovery Subrecipient Resource page contains the Compliance Monitoring Plan which lists the risk assessment criteria.

1.12 Grant Closeout

After all the activities are completed and all the subrecipient agreements are closed, the Office of Long-Term Resiliency 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 FloridaCommerce Executive Director or authorized designee. These forms, as well as all attachments, are mailed to:

Director, Office of Block Grant Assistance
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410
or as specified by HUD

Part 2 Regulatory and CDBG-DR Specific Processes for Subrecipient and Subgrantee Managed Disaster Programs

2.1 Duplication of Benefits

2.1.1 Duplication of Benefits Procedures for Subrecipients/ Subgrantees

The FloridaCommerce 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 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.

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 FloridaCommerce 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.

FloridaCommerce 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 FloridaCommerce. FloridaCommerce will withhold payment on any project or suspend activities if a duplicative benefit issue is not resolved. FloridaCommerce will not complete the subgrant closeout processing until all identified duplication of benefits issues are resolved.

Standardized monitoring checklists 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. Monitoring checklists may be found in the [CPD Monitoring Handbook 6509.2](#). Further information on monitoring can be found in the [Compliance Monitoring Plan \(CMP\)](#) located on the Disaster Recovery website.

2.1.2 Duplication of Benefits Process

1. As part of the application review process, the applicant must complete and submit

- A. a FEMA Declaration and Release Authorization form,
- B. a Florida Eligibility Release form,
- C. Florida Duplication of Benefits Calculation form,
- D. a Duplication of Benefits Exception Acknowledgement form (if applicable),
- E. 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 FloridaCommerce website: www.floridajobs.org/CDBG-DR.

- 2. The subrecipient will submit a copy of the forms completed in Step 1 to the FloridaCommerce office in Tallahassee.
 - A. 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.
 - A. 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.
- 3. FloridaCommerce 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.
 - A. FloridaCommerce staff will certify the review results to the subrecipient for the applicant's file.
 - B. To contact the FEMA office concerning requests,
 - i. call 202-646-3323
 - ii. or contact the agency electronically at fema-foia@dhs.gov.
 - C. To contact the SBA office concerning requests,
 - i. call 202-401-8203
 - ii. or contact the agency by email at foia@sba.gov
- 4. Upon receipt of the certified letter from FloridaCommerce, the subrecipient will make the final selection of beneficiaries that are eligible to receive CDBG-DR funding.
- 5. 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.
- 6. Subrecipients are required to maintain duplication of benefits forms and supporting documentation in the subgrant and/or beneficiary files.
 - A. These files will be reviewed by FloridaCommerce during monitoring visits.
 - B. FloridaCommerce 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.
- 7. 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.
 - A. The amount of duplicative benefits identified must be refunded.

- i. If the subrecipient's agreement with FloridaCommerce is still active, the refund amount must be returned to the subrecipient's disaster recovery program.
- ii. If the subrecipient agreement with FloridaCommerce is closed, the refund amount must be returned to:

Cashier

Florida Department of Commerce
Office of Long-Term Resiliency
107 East Madison Street, MSC-420
Tallahassee, FL 32399

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

FloridaCommerce will have more in-depth DOB/VOB process per program. Each program will have its own DOB/VOB process outlined in its guidelines referenced in the appendices.

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

2.1.3.1 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 FloridaCommerce 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.

2.1.3.2 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.

2.1.3.3 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.

FloridaCommerce 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.

2.1.3.4 Cross program verification of application

Prior to any applicant award, the Hermine and Matthew subrecipient must verify with FloridaCommerce 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.

2.1.3.5 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.

2.1.3.6 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.

2.1.3.7 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 3: Sample Multi-Disaster Properties - Eligibility and Award Calculation Worksheet

Determine Eligibility	(1) Hermine or Matthew 2016	(2) Irma 2017	TOTAL
Verified Loss level	YES	YES	YES
Ownership	YES	YES	YES
Located in Eligible County	YES	YES	YES
Structure Type	YES	YES	YES
Occupancy/Primary Residency	YES	YES	YES
Determine Other Assistance Received (DOB)	\$ Total All Hermine or Matthew DOB Sources	\$ Total All Irma DOB Sources	Column 1 + Column 2 This Row
DOB Exclusions			
Receipts	\$	\$	Column 1 + Column 2 This Row
Paid invoices	\$	\$	Column 1 + Column 2 This Row
Executed contracts	\$	\$	Column 1 + Column 2 This Row
Cancelled checks	\$	\$	Column 1 + Column 2 This Row
Affidavit+ Completed Repairs Estimate	N/A	\$ Completed Repairs Estimate	Column 2 This Row
Total DOB Exclusions			\$ Total this Column Value from preceding 5 Rows
Total DOB	N/A	N/A	Total Assistance minus Total Exclusions
Determine Damage	N/A	Damage Assessment	Irma Damage Assessment
Determine Award Calculation	N/A	N/A	Irma Damage Assessment minus Total DOB

2.2 Environmental Review Record Subrecipient/Subgrantee Responsibilities

In response to Hurricane Irma, the state of Florida FloridaCommerce, as the Grantee, is directly administering the Single-Family Housing Recovery Program and is the Responsible Entity. Economic Development and Voluntary Buyout are Subrecipient projects. The RE for Subrecipient projects may be FloridaCommerce or the Subrecipient. If the Subrecipient is designated the RE, they will be responsible for completion of the ERR and submittal to FloridaCommerce 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.

2.3 Compliance Monitoring Plan, CDBG-DR Programs

2.3.1 Introduction

Per CDBG regulations at 24 C.F.R. 570.501(b), grantees of CDBG-DR funds are responsible for carrying out their programs in compliance with CDBG-DR program, statutory, and regulatory requirements, including monitoring their project administrators, contractors, and subcontractors.

Additionally, 2 CFR 200.328 states that the non-federal entity is responsible for the oversight of the operations of federal award supported activities and that such monitoring must cover each program, function, or activity.

As such, throughout the application, planning, design, and implementation phase of the program(s), FloridaCommerce's OLTR will conduct monitoring of processes, procedures, policy, applications, planning, design, construction, and other applicable phases. OLTR will work to ensure that programs are operating efficiently and effectively and that CDBG-DR funds are being used appropriately. Conducting effective monitoring of program compliance with program guidelines, requirements, and procedures is important for identifying areas of strong performance and areas that need improvement and/or corrective action.

OLTR has established the Compliance Monitoring Plan (CMP) to:

- Gauge the overall progress and effectiveness of program implementation.
- Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
- Identify areas that would benefit from technical assistance and/or training.

The CMP will allow OLTR's Compliance Unit to carry out activities uniformly, efficiently, and effectively. The CMP may be updated as needed based on program design and any applicable changes to federal and local requirements over the life of the grant.

2.3.2 Types of Monitoring

OLTR will perform an initial risk assessment to evaluate each program to determine what level of monitoring will be conducted to ensure that all projects are compliant. A range of monitoring methods will be used including, but not limited to:

- **Desk Reviews** – a review of documents submitted by program staff, subrecipients, and contractors/vendors.
- **Onsite Reviews** – a review of documentation of eligibility and national objective compliance, financial expenditure records, interviews with staff, and inspection of records for the CDBG-DR activities conducted.

- **Strike Team Reviews** – pre-monitoring assistance provided during both the early stages of program development and during instances of program staff turnover to assess critical risks and rebuild capacity, including a review of detailed processes to preempt any potential future compliance issues.

Standardized monitoring checklists will be used to ensure consistency and to provide a detailed record of the monitoring. The monitoring checklists are tailored from the HUD monitoring exhibits found in the CPD Monitoring Handbook (6509.2).

2.3.3 Risk Analysis

OLTR will conduct risk analyses annually on all programs in order to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. OLTR will primarily review Program award and allocation amounts in determining the risk level of entities and programs. OLTR will consider:

- The amount of funding an entity has received or been awarded as a factor in determining level of risk.
- Entities who have allocations totaling above \$5 million as being high risk.
- Entities who have not expended initial funding within an appropriate timeframe and have allocations in between \$2 and \$4 million.

OLTR's Compliance Unit may also utilize a program and subrecipient risk assessment as an additional measure to provide critical information and effectively target resources toward entities and programs that pose other risks to the integrity of OLTR's CDBG-DR funding. The CMP includes a Risk Matrix which lists the general risk assessment criteria. In addition to the quantitative measures listed in the matrix, qualitative risk factors may also be considered. The consideration of qualitative risk factors will not change the overall risk score but may provide justification for including an entity in the Monitoring Workplan and Approach. Such qualitative factors include but are not limited to local media reports, litigation, major new programs undertaken, subsequent disasters, staff turnover, and citizen complaints.

2.3.4 Monitoring

After the risk analyses are complete and results are finalized, high-risk programs, as identified through the primary factors above, may be reviewed more frequently. Technical assistance may be provided for additional guidance and support.

As necessary and possible, OLTR will conduct programmatic and fiscal monitoring reviews for each active CDBG-DR program or subrecipient (2 CFR 200.332(b)). Desk reviews may be performed if an onsite review is not feasible. Additional monitoring may occur if a matter is uncovered by an external audit or additional monitoring is necessitated by the possibility of fraud, waste, or mismanagement.

2.3.5 Strike Team Support

Once a program risk assessment is completed on a new program and if assistance needs are identified in the early stages of program development, FloridaCommerce may approve Strike Team Support. The Strike Team coordinates with FloridaCommerce program staff to ensure full understanding of program status and complete pre-monitoring assistance to address identified potential risks that may arise as the program progresses towards implementation and establishes a work plan to implement solutions throughout the life of the program. Following are the three stages of the Strike Team Support process:

1. Post-Program Risk Assessment and Work Plan Development
 - A. Identify key findings of assessment and discuss remedies with program staff.
 - B. Develop recommendations for resolving identified risks.
 - C. Collaborate with program staff to develop goals and action items for recommendations.
 - D. Develop key milestones and due dates for action items.

- E. Incorporate work plan into the program implementation timeline.
2. Program Implementation
 - A. Re-evaluate program for identified risks and make assessment on improvements made or outstanding risks to be addressed.
 - B. On-going collaboration with program staff to address risks and complete workplan.
3. Risk Reduction Feedback/Results
 - A. Develop a summary of how the risk analysis recommendations and workplan goals or action items resulted in a measurable reduction in risk within the program, which also includes program best practices and lessons learned.
 - B. Circulate throughout FloridaCommerce, as appropriate, to be referenced for similar programs going forward as institutional knowledge to reference.

2.3.6 Monitoring Process

2.3.6.1 Programmatic Monitoring

Programmatic monitoring can be triggered with any of the following:

- Program/Activity Risk
- Any fiscal-related activity (see section 2.3.7 Fiscal Monitoring)
- Concern(s) for timely activity completion
- OLTR program staff communication regarding:
 - Invoicing/drawdowns
 - Upcoming activity closure
 - Any other issues related to the Program/Activity

The monitoring review is broken into 4 stages: planning, fieldwork, reporting, and response.

2.3.6.2 Planning

In developing the monitoring strategy, the monitoring team will identify key risk factors associated with specific activities to be monitored, the likelihood of non-compliance and the potential impact. This will determine critical risks that should be addressed during the monitoring visit.

Furthermore, for subrecipient monitoring engagements, all subrecipients implementing projects under the monitored programs may undergo a risk assessment as outlined within 2.3.3 Risk Analysis. This assessment will review key risk criteria as identified in the Risk Matrix located in the CMP, but will include additional risk factors such as a review of past OLTR monitoring and federal Single Audit findings for evidence of outstanding sanctions or non-compliance. These risk assessments will be similar in scope to program risk assessments but will be conducted solely on applicable subrecipients during the planning phase of monitoring engagements. The assessment results will support OLTR's Compliance Team by providing additional information needed to determine the monitoring review scope.

The program and/or entity being monitored will receive a notification letter within 30 days of the planned monitoring review (Onsite Monitoring or Desk Monitoring) which will detail the type of monitoring, timeframe to conduct the monitoring, the nature and scope of the review, and an initial documentation request. Preliminary documentation may be requested to facilitate further planning, such as sample selection, prior to the start of the monitoring. To the greatest extent feasible, documentation on-hand should be reviewed prior to the monitoring engagement to maximize the time available for reviewing documents during the monitoring. Such documentation may include the following:

- Active written agreements with the Monitored Entity;
- Progress and performance reports;

- Drawdown requests;
- Documentation of previous monitoring(s), including open findings;
- Copies of any audit reports of the entity/program; and
- Any documentation requested and received from the Monitored Entity.

Any potential deficiencies or evidence of non-compliance identified from the review of documentation prior to the engagement will be incorporated into the monitoring strategy.

2.3.6.3 Fieldwork

The fieldwork stage is comprised of two monitoring review types: desk monitoring and onsite monitoring. Each form of monitoring has its own process and requirements for monitoring completion:

- **Desk Monitoring:** A desk monitoring should not exceed 10 business days from the start date of the monitoring. Extensions for desk monitoring can be allowed under extenuating circumstances.
- **Onsite Monitoring:** An onsite monitoring should not exceed 5 business days from the start of the monitoring. However, additional onsite reviews at different satellite locations, e.g., different subrecipients, may require an extension of field-time in order to complete the onsite review(s).

During the fieldwork stage, OLTR will conduct an entrance conference with the appropriate representatives to explain the purpose of review. During the meeting, OLTR's Compliance Team will:

- Explain the purpose, scope, and schedule of the Monitoring Event;
- Confirm key personnel that will assist during the monitoring;
- Determine the times for interviews of key personnel, including the times for key personnel to be available to answer questions about files, if necessary;
- Schedule physical inspections, if applicable; and
- Verify the programs to be reviewed and how access to files will be granted.

Thereafter, OLTR should receive access to all documents requested in the notification letter and the sample of files selected for review. OLTR will use the monitoring checklists identified during the planning phase to perform the review. The checklists will be completed by OLTR staff throughout the monitoring event, including the notes related to the file review and interviews with key personnel.

Throughout the engagement, the monitoring staff will maintain an on-going dialogue with the program/project staff. This communication will keep the OLTR staff informed as to how the monitoring is progressing, enable discussion of any problem areas encountered, and provide the program/project team an opportunity to present additional information regarding preliminary findings and concerns. This will also minimize the potential for surprises during the exit conference or in the Monitoring Report.

At the conclusion of the monitoring review, OLTR will conduct an exit conference with key personnel to discuss preliminary findings and concerns. This meeting includes the following objectives:

- To present preliminary results of the monitoring visit and establish a clear understanding of the results of the monitoring review and next steps;
- To provide an opportunity for the program/project team to correct any misconceptions or misunderstandings;
- To secure additional information to clarify or support the position of the program/project team; and
- To provide an opportunity for the program/project team to report any steps taken to correct any deficiencies identified throughout the monitoring review.

During the exit conference, the monitoring team will also communicate next steps with the program/project staff and establish timelines for corrective actions, if necessary. All stakeholders should have a clear understanding of the monitoring results at the conclusion of the fieldwork phase.

Although the monitoring review may conclude once OLTR has conducted the exit conference, the monitored entity may be given the opportunity to provide documents to resolve preliminary findings and concerns notated in the exit conference prior to the issuance of the official Monitoring Report. The provision of such documents could result in a monitoring review conclusion which may impact the final monitoring results. In most cases, this additional review will further clarify monitoring conclusions raised during the exit conference and will not result in any substantial changes in the preliminary monitoring results or review scope. Regardless of the level of changes to the preliminary monitoring results, if any additional items are identified after fieldwork is complete that affect the final report, the program/project staff or subrecipient should be made aware prior to the issuance of the report.

2.3.6.4 Reporting

Once fieldwork is completed, a Monitoring Report will be prepared and signed by the OLTR Compliance and Reporting Manager, Finance and Administration Bureau Chief, or their designee, within 60 days from the date of the exit conference, which summarizes the result of the monitoring review. The report should correspond to items discussed during the exit conference. Monitoring reviews may result in:

- **Findings** – issues that require immediate corrective actions by the program.
- **Concerns** – issues regarding the performance of programs or activities that may result in noncompliance if they are not addressed.
- **Observations** – issues which could lead to a concern or finding if not addressed, but there is not enough evidence at the time of the monitoring that would warrant a concern or finding.

The report will include recommended corrective actions that would remedy the identified deficiency or concern. The tone of the Monitoring Report should be positive and strike a balance between recognizing the common goal of responsibly and effectively implementing CDBG-DR program(s) and reinforcing the needs and requirements to correct any deficiencies. If appropriate, the report should include significant accomplishments or positive changes to establish and/or maintain positive relationships and to recognize the dedication and commitment of the program/project staff to the program mission.

2.3.6.5 Response

The program/project staff or subrecipient will have 30 days to respond to all findings in the written Monitoring Report, unless an alternate timeline was specified in the report. The management response should include a plan and timeline for completing any required corrective actions, or proposals for alternate actions to remedy the situation. For example, the plan and timeline would outline an avenue for program/project staff or a subrecipient to request an extension of time—usually an additional 30 days—to complete corrective actions or to allow justifications for alternative correction actions. If issues are identified for corrective action and/or the responses to the Monitoring Report are deemed insufficient or incomplete, follow-up actions will be scheduled to track and record the progress of the resolution, including the submission of follow-up letters and issuance of incomplete corrective action determinations. These follow-up actions should usually take no longer than 60-90 days from the issuance of the initial Monitoring Report, but the timing and frequency of the follow-up communication will be determined at OLTR's discretion and should be based on the severity of the deficiency. All follow-up actions and determinations on incomplete actions or responses will be documented.

Once all findings and concerns have been remediated, the OLTR Compliance and Reporting Manager, Finance and Administration Bureau Chief, or their designee will issue a Clearance Letter to the program/project or subrecipient indicating that the issue has been closed. If in the course of finalizing the Monitoring Report, or during the monitoring visit, prior findings were completely addressed, the Monitoring Report may serve as the Clearance Letter, noting that the prior findings were resolved. All findings must be addressed prior to closure of the program/project.

2.3.7 Fiscal Monitoring

OLTR will perform fiscal monitoring reviews for all programs/projects that receive CDBG-DR funding. Most monitoring engagements will include fiscal monitoring because of the risk analysis factors which drive OLTR's monitoring strategy. At least one draw request must have been submitted and paid to complete this type of monitoring.

The monitoring process for fiscal monitoring mimics the process for programmatic monitoring. OLTR will combine the two monitoring types when conducted at the same time and will perform planning, fieldwork, reporting, and receive responses for any findings or concerns needing resolution that were noted in the final report.

2.3.8 Technical Assistance

The OLTR Compliance and Reporting Unit will continuously identify areas of opportunity to provide technical assistance (TA) where needed. The objective of TA is to ensure compliance with Federal and State regulations and program requirements. The nature and extent of TA will be determined at the discretion of OLTR's Compliance Team. Some examples of TA include:

- Verbal or written advice;
- Formal training; and/or,
- Documentation and guidance.

When deficiencies are identified through monitoring activities, TA may be required to assist in the resolution of the deficiency. If similar deficiencies are noted for multiple entities, organized TA activities may be coordinated. The training shall be coordinated between monitoring staff and program management staff, and training materials will be posted to the OLTR website for reference.

2.3.9 Remedies for Non-Compliance

In the event that the program/project staff or subrecipient fails to correct identified deficiencies within 90 days from the issuance of the official Monitoring Report, OLTR may, in accordance with 2 CFR 200.338-.342, take one or more of the following actions, as appropriate in the circumstances:

- Temporarily withhold cash payments pending correction of the deficiency by the program/project staff or a more severe enforcement action by OLTR.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the non-compliant activity or action.
- Wholly or partly suspend or terminate the award.
- Recommend the Federal Awarding Agency initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations.
- Withhold further awards for the project or program.
- Take other remedies that may be legally available.

Additionally, and as identified within 2 CFR 200.521, OLTR may enact management decisions if continual subrecipient non-compliance or deficiencies exist through incomplete corrective actions. These conditions may arise from monitoring findings as well as audit findings through the use of any federal subaward OLTR has provided. In these cases, OLTR may also utilize the remedies described above in an effort to ensure a subrecipient comes back into compliance. These decisions may occur as a result of the following reviews:

- A systemic or unresolved deficiency from a monitoring engagement as detailed within this section, with the subrecipient responding as outlined within the Response phase; or

- Any deficiency(ies) or determination(s) of non-compliance which are identified through other OLTR- initiated audit review(s), as specified within *Section 6: FloridaCommerce Audit Requirements of the Rebuild Florida OLTR CDBG-DR and CDBG-MIT Comprehensive Financial and Grant Management Policy Manual*.

For audit reviews, the Bureau of Financial Monitoring and Accountability (FMA) develops monitoring tools and conducts department-wide subrecipient financial monitoring of FloridaCommerce’s grant awards and agreements. Audit monitoring and review procedures, including processes related to the tracking and logging of applicable subrecipient audits, delinquent audit notifications, OLTR recordkeeping policy for subrecipient audits, and OLTR involvement in subrecipient resolution of audit findings, are located within the FloridaCommerce Audit Requirements section of the Financial and Grant Management Policy Manual.

2.4 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.

2.4.1 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 subrecipient’s responsibility is often divided between the local office that has primary responsibility for CDBG-DR program administrative office, and the subrecipient’s finance officer. The subrecipient’s program administrative office is responsible for reviewing and approving all transactions involving CDBG-DR funds before the transactions are processed by the subrecipient’s contract manager. The subrecipient’s finance and administrative office’s responsibilities include:

- Approval of purchase orders and contracts to be paid with CDBG-DR funds
- Receipt and approval of invoices
- Assurance that transactions involving CDBG-DR funds are properly coded
- Review and approval of requisitions for payments involving CDBG-DR funds

The finance officer is responsible for maintaining the official CDBG-DR financial records and for posting account transactions. Official records may be maintained in either an automated or a manual format. The finance officer’s responsibilities may also 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.

2.4.2 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. FloridaCommerce 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. FloridaCommerce'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.

2.4.3 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 (FloridaCommerce) 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.

2.4.3.1 Subrogation Agreement

All respective CDBG-DR awardees will be required to enter into a "Subrogation Agreement" with the Florida Department of Commerce 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 FloridaCommerce to evaluate Subrecipient's application for the receipt of funds (collectively, the "Grant Proceeds") under the FloridaCommerce Community Development Block Grant-Disaster Recovery Program (the "CDBG-DR Program") administered by FloridaCommerce, Subrecipient hereby assigns to FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce, to be retained and/or disbursed as provided in this Agreement. The amount of DOB determined to be paid to FloridaCommerce shall not exceed the amount received from the CDBG-DR Program.

Subrecipient agrees to assist and cooperate with FloridaCommerce 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 FloridaCommerce. 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 FloridaCommerce, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better assign to FloridaCommerce, 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 FloridaCommerce to consummate and make effective the purposes of this Agreement.

Subrecipient explicitly allows FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce.

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 FloridaCommerce, 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 FloridaCommerce, and FloridaCommerce 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 FloridaCommerce.
2. If the Subrecipient has received no payment of the Grant Proceeds, any Subsequent DOB Proceeds shall be used by FloridaCommerce 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 FloridaCommerce.
4. If FloridaCommerce 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 FloridaCommerce has recovered an amount equal to the Grant Proceeds paid to Subrecipient, FloridaCommerce will reassign to Subrecipient any rights assigned to FloridaCommerce 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, FloridaCommerce shall be entitled to recover all costs of enforcement, including actual attorney's fees.

2.4.4 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.

2.4.5 Request for Funds (RFF)

Each subrecipient must complete and submit to the CDBG-MIT program a FloridaCommerce Subrecipient Enterprise Resource Application (SERA) Security Access Authorization Form. This form is used to provide access to the SERA system in order for the subrecipients to request reimbursement and report any required financial or programmatic data. There cannot be any erasures or corrections on the FloridaCommerce SERA Security Access Authorization Form. Should it be necessary to change or update information on the Signature Authorization Form, the same instructions apply.

The SERA system was created to allow subrecipients draw cash and report under the executed subrecipient agreements with FloridaCommerce.

The subrecipient will be prohibited from requesting grant funds until all 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 Long-Term Resiliency. Subrecipients should check their CDBG-MIT award agreement for special conditions prior to obligating or requesting funds.

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

2.4.5.1 Request for Funds Process

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 FloridaCommerce has direct oversight. Funds are not invested with the State Treasury, and no interest is earned by FloridaCommerce.

1. Local Government and FloridaCommerce vendors upload supporting documentation and submit the payment request in the SERA system.
2. Agreement manager receives a notification email from the SERA system indicating there is a Financial Activity (FA) in their queue that needs to be reviewed and then approved.
3. Agreement manager reviews the package for all required supporting documentation and ensures all requested expenditure reimbursements are eligible under the CDBG-DR grant agreements.
4. Once approved, an email is sent to the next level approver which in most cases is a member of upper management, i.e. Director, Deputy Director, Bureau Chief, etc.
5. Once the second level approval has been submitted, the agreement manager prepares an electronic copy of the financial package to be submitted to the BFM.
6. The RFF packet is distributed to BFM grant manager. The BFM grant manager reviews to ensure the expenditures are allowable and charged to the correct funding source. (If not, the packet is returned to the program area).
7. The BFM grant manager approves the payment request in SERA and submits the package to the Disbursements unit for review and approval as well as sending a copy of the invoice package to the BFM GOC II. Once approved, the accountant in the Disbursements unit records the expenditure in FLAIR for payment. The vendor or subrecipient will receive their payment once the voucher has been processed in FLAIR by the disbursements unit.
8. Once the expenditures have been identified in the FLAIR report, the GOC II enters the expenditure data from the invoice packet into DRGR and attaches the backup documentation to support the draw.
9. Once the data has been entered into the DRGR system an email is sent to the Cash Management unit to make the draw from HUD.

2.5 Subrecipient Financial System

2.5.1 Financial Records

In the simplest terms, CDBG-DR financial transactions involve receiving cash (such as contract funds from FloridaCommerce'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 FloridaCommerce 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 FloridaCommerce's Division of Finance and Accounting.

2.5.1.1 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 FloridaCommerce 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. OLTR will provide guidance on the exact procedure for allocating costs.

2.5.1.2 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. 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.

2.5.1.3 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.

2.5.1.4 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 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.

2.5.1.5 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.

2.5.1.6 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.

2.5.1.7 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.

2.5.1.8 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.
7. The costs must be adequately documented. See 2 CFR 200.300 through 2 CFR 200.309 for more information.

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.

2.5.1.9 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."

2.5.1.10 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]”.

2.5.1.11 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(e)2]. 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 or generated after closeout is returned to the Office of Long-Term Resiliency.

2.5.2 Record Keeping

In the simplest terms, CDBG financial transactions involve receiving cash (such as contract funds from the Office of Long-Term Resiliency’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).

2.5.2.1 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

2.6 Subgrantee and/or Subrecipient Closeout

2.6.1 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 Long-Term Resiliency 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.

2.6.2 Closeout Process

The subrecipient must submit a subrecipient agreement closeout report and documentation to the Office of Long-Term Resiliency within 45 days of the termination of the grant agreement 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 Long-Term Resiliency 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 FloridaCommerce Office of Long-Term Resiliency 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 FloridaCommerce 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:

1. Audit Findings (there can be no open audit findings).
2. CDBG Funds on Hand (cannot exceed \$5,000 and must be properly reflected in the closeout documents).
3. Monitoring (there can be no open findings).
4. Program Income (were funds returned). Unless otherwise authorized, all program income must be returned to the FloridaCommerce Disaster Recovery Unit.
5. Proper Disposition of Acquired Property.
6. Meeting all Special Requirements (i.e., map and certification statement).
7. 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 Long-Term Resiliency will respond to a closeout request by notifying the subrecipient by mail and identifying any issues that must be resolved before the Office of Long-Term Resiliency 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 Long-Term Resiliency 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 Long-Term Resiliency. If there are any audit findings related to the CDBG subrecipient, these findings must be resolved before the subrecipient can be final closed.

2.6.2.1 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 Long-Term Resiliency. Once the audit is received, Office of Long-Term Resiliency 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 Long-Term Resiliency 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.

2.6.3 Timeliness and Tracking of Expenditures

FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce agrees that the subrecipient provided adequate justification for the delay. FloridaCommerce 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.

2.7 Financial Audit

2.7.1 Overview

The Subgrantee and/or subrecipient is responsible for conducting a federal single or program specific audit in accordance with 2 CFR Part 200. A federal Single Audit is required if the Subgrantee and/or subrecipient has expended \$750,000 or more 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. A recipient that expends less than \$750,000 in federal or state awards in its fiscal year is not required to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements or Section 215.97, Florida Statutes.

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@Commerce.fl.gov. 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 FloridaCommerce and the subrecipient.

The forms referenced are available online at www.FloridaJobs.org/CDBGRecipientInfo or upon request from FloridaCommerce's grant manager.

An annual federal Single Audit under 2 CFR 200 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 FloridaCommerce's grant manager.

Once the subgrantee/subrecipient submits the required Federal Single Audit to the FloridaCommerce grant manager, an audit review is performed to determine if there are any findings related to the CDBG-DR or CDBG-MIT disaster recovery sub-grant awarded to the local government. If there are any audit findings, the grant manager coordinates with the local government to resolve the findings and issue a management decision letter outlining the corrective actions that need to be taken. The due date for the management decision letter is established by the FloridaCommerce Office of Financial Monitoring and Accountability. For any audit findings that cannot be resolved in time to meet the management decision due date, the grant manager will coordinate with the OLTR Compliance Unit for advice on how to proceed.

Part 3 CDBG-DR Program Overviews

3.1 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). FloridaCommerce 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.

3.1.1 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.**

3.1.2 Mitigation Measures

FloridaCommerce 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. Mitigation measures will follow HUD guidance to ensure all structures, as defined in 44 CFR 59.1, designed principally for residential use and located in the 1% annual (or 100-year) floodplain, that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), will be elevated with the lowest floor, including the basement, at least two feet above the BFE.

3.1.3 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 funding of buildings for the general conduct of government, activities identified in 24 CFR 570.207, and all activities and uses not authorized under Title I of the Housing and Community Development Act of 1974 or allowed by waiver. In addition, any activities reimbursable by, or activities for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers (USACE) are considered ineligible activities.

3.1.4 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 FloridaCommerce 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 4: Florida IA and PA Declared Counties

Florida IA and PA Declared Counties			
Alachua	Flagler	Levy	<u>Polk*</u>
Baker	Gilchrist	Manatee	Putnam
Bradford	Glades	Marion	Sarasota
<u>Brevard*</u>	Hamilton	Martin	Seminole
<u>Broward*</u>	Hardee	<u>Miami-Dade*</u>	St. Johns
Charlotte	Hendry	<u>Monroe*</u>	<u>St. Lucie*</u>
Citrus	Hernando	Nassau	Sumter
<u>Clay*</u>	Highlands	Okeechobee	Suwannee
<u>Collier*</u>	<u>Hillsborough*</u>	<u>Orange*</u>	Union
Columbia	Indian River	<u>Osceola*</u>	<u>Volusia*</u>
DeSoto	Lafayette	<u>Palm Beach*</u>	
Dixie	Lake	Pasco	
<u>Duval*</u>	<u>Lee*</u>	Pinellas	<i>*HUD-designated MID Areas</i>

3.1.5 National Flood Insurance Program (NFIP) Insurance Requirements/Flood Disaster Protection

Subrecipients shall comply with the mandatory flood insurance purchase requirements of Section 102 of the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, 42 USC 4012a. Additionally, Subrecipients shall comply with Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which includes a prohibition on the provision of flood disaster assistance, including loan assistance, to a person for repair, replacement or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. Section 582 also includes a responsibility to notify property owners of their responsibility to notify transferees about mandatory flood purchase requirements. More information about these requirements is available in the Federal Register notices governing the CDBG-DR award. For additional reference, see 24 CFR 55.2(b)(1).

When any structure is being rehabilitated or reconstructed with federal disaster assistance is located in a Special Flood Hazard Area (SFHA), also known as the 100-year floodplain, then the property owner is required to maintain flood insurance in perpetuity, and any successive purchaser of the property must also maintain flood insurance. Structures constructed, reconstructed, or substantially improved in a SFHA are required to be elevated or floodproofed.

3.2 Housing Programs

3.2.1 Housing Repair and Replacement Program (HRRP)

3.2.1.1 National Objective

All program activities must meet one of HUD's National Objectives. The National Objectives that have been approved for the HRRP are the Low- to Moderate-Income (LMI) and Urgent Need. The LMI National Objective is achieved under HRRP when the benefit is provided to an LMI household. The Urgent Need National Objective is achieved when a benefit is provided to eligible applicants who are above 80% AMI and below 120% AMI.

3.2.1.2 Responsible Entity for Administering

The Florida Department of Commerce is the entity responsible for administering the Housing Repair and Replacement Program.

3.2.1.3 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, FloridaCommerce may address applicants earning greater than 80 percent AMI. Special consideration may be given to the Florida Keys on a case-by-case basis. Households that make above 120 percent of the Area Median Income (AMI) will not be eligible for the HRRP. The Housing Repair and Replacement 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:

1. 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.

2. 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, FloridaCommerce may address applicants earning greater than 80 percent AMI.
3. 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.
4. 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.

3.2.1.4 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 will 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

Policy Overview

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.
 - A. If the receipt date is present or no information is listed under the lien information name column, then no lien exists on the MHU
 - B. If lien information but no receipt date is listed, then the MHU has a lien against it.
 - C. 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.
 - D. 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)

Overview

As a general rule, Rebuild Florida's Housing Repair and Replacement Program (HRRP) will not provide temporary relocation assistance to Homeowner/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.

FloridaCommerce'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.

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 80% AMI and is a beneficiary also receiving assistance for the rehabilitation, reconstruction or replacement of their Irma damaged property.

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.

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.

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.

Community Service Referrals

Community service referrals can be a first step for Rebuild Florida applicants seeking temporary housing assistance. If there is an unmet temporary housing need, the program may recommend THAB to qualifying eligible applicants.

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 80% 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 Commerce (FloridaCommerce), 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 FloridaCommerce 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.

Accessibility/Disability Accommodation

Reasonable steps will be taken to accommodate accessibility and other special needs to ensure the placement is appropriate to the homeowner and household members.

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.

Payment Issuance

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.

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 THAB.extensions@rebuildflorida.gov.

The Construction Delay or Extension Worksheet will be completed, named accountID_THAB_ConstrExtenWksht and forwarded to FloridaCommerce for approval.

Other extension requests, not related to contractor delay will be assessed on a case-by-case basis.

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. The program will make requests via phone, email and/or written correspondence. All attempted points of contact by the program will be memorialized within the system of record. 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.

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 FloridaCommerce Exceptions Panel for a final determination.

Note: Please reference the House Repair and Replacement Program guidelines in Appendices A and B for Reasonable Accommodation Request forms.

3.2.1.5 Policy Exceptions

Requestors may submit a Policy Exception Request Form to the panel for review and consideration. The policy exception process is important to provide a thorough consideration of files that do not clearly fall into or out of HRRP program guidelines or the intent of the Rebuild Florida Action Plan.

File policy exceptions may be nominated by any HRRP team member who conducts applicant file reviews. The FloridaCommerce Policy Exceptions Review Panel can only review and allow/refuse alternate documentation supporting eligibility or award issues. The panel cannot circumvent program policy or requirements and therefore, any file submitted where policy clearly addresses the issue raised will be rejected by the FloridaCommerce Policy Exceptions Review Panel.

Exceptional Cases are files with immediate and urgent circumstances. Exceptional Cases will be considered under the umbrella of the FloridaCommerce Policy Exceptions Review Panel based upon specific applicant circumstances.

Files where the applicant has executed a grant agreement (Closed) are not reviewable through the exceptions panel, unless an issue arises during the construction process that requires an exceptions review to ensure compliance with program policy.

Files Reviewable by Policy Exceptions Panel

Only the following categories of cases will currently be reviewed by the FloridaCommerce Policy Exceptions Review Panel for consideration:

1. Case-by-Case Eligibility Documentation
 - A. Ownership documentation
 - B. Occupancy Documentation (Owner-Occupied Housing)
 - C. Citizenship Documentation
 - D. Legal Entities
2. Case-by-Case Hurricane Irma Damage Substantiation
3. Case-by-Case Housing Assistance Cap
4. Case-by-Case Pier and Beam Structures for Repairs and Elevation
5. Case-by-Case Applicant Failing to Vacate Damaged Structure within 30 days
6. Case-by-Case Reconstruction vs. Repair Project
7. Case-by Case Structure Types
8. Case-by Case Second Homes Converted to Affordable Rental Housing
9. MHU Repair vs. Replacement
10. Exceptional Cases – The following conditions may allow an applicant to be considered as an “Exceptional Case” if:
 - A. the structural integrity of the damaged location is severely compromised, resulting in an immediate threat to the health and safety of the occupants; and/or,
 - B. the applicant is suffering from a severe health condition that is worsened by the condition of the damaged property and that poses an immediate threat to their health or the health of occupants.

The following may apply to these two conditions:

- An award file with an executed HGA may be bid individually to a program contractor if the standard project bundling process would result in prolonged delays in assigning the project; and/or,
- An applicant who has been deemed qualified for Temporary Housing Assistance Benefit and has executed an HGA may receive THAB benefits prior to pre-construction.

Communicating Policy Exception Reviews with Applicants

For all files that have been submitted to the FloridaCommerce Policy Exceptions Review Panel for review, program staff may inform applicants, upon request, that his or her case is “under review by program management.” When the FloridaCommerce Policy Exceptions Review Panel completes a case review and makes a final determination, the finalized request form and supporting documentation must be uploaded to the System of Record.

Policy Exceptions Review Panel Composition

The FloridaCommerce Policy Exceptions Review Panel will be comprised of FloridaCommerce staff familiar with the policies and operations of the Rebuild Florida Housing Repair and Replacement Program. Each meeting must have at least three FloridaCommerce staff members present with representation from the FloridaCommerce leadership team, FloridaCommerce housing team, FloridaCommerce construction team and/or FloridaCommerce policy team. The Policy Exception Request Form submitter or designated representative familiar with the case must be present to facilitate the requested exception but is not a voting member of the panel.

Table 5: Policy Exceptions Review Panel Members

Policy Exceptions Review Panel Members	
Job Title	
FloridaCommerce-OLTR Chief of Business Operations or Deputy Director	
FloridaCommerce-OLTR Housing Program Manager	
FloridaCommerce-OLTR Policy Manager or Lead	
FloridaCommerce-OLTR Housing Lead	
FloridaCommerce-OLTR Construction Supervisor	

Policy Exception Request Form Packet

When policy exceptions are nominated by program staff for consideration, the nominator must:

1. Review the file with management to ensure current program policy and procedures do not address the issue.
2. Hold files that are under FloridaCommerce’s Appeal/Complaint Process. Files may not be nominated until the Appeals review and final determination are completed.
3. If a file supports nomination as a policy exception request, the submitter must complete a Policy Exception Request Form. The Policy Exception Request Form includes:
 - A. File identifying information.
 - B. Date submitted.
 - C. System of Record current status.
 - D. Issue type.
 - E. Description of issue in detail.
 - F. Description of exception requested of the review panel.
 - G. Specific reference to current policy (if applicable).
 - H. Supporting documentation for all issues under review.

Policy Exception Request Review Process

Requestors with Policy Exception Requests to be presented to the FloridaCommerce Policy Exceptions Review Panel must submit Application ID numbers only via email to the Housing Exceptions Resolution and Coordination Meeting facilitator prior to the scheduled meeting. Each requestor is required to bring printed copies of the Policy Exception Request Form to the meeting for discussions and promptly shred additional copies post meeting.

Tracking Policy Exception Requests

The Housing Exceptions Resolution and Coordination Meeting facilitator will add all requested policy exceptions submitted via email to the master “FloridaCommerce_Irma_Housing Customer Service Exception Tracker” for documentation and discussion purposes. The Policy Exception Request Forms with FloridaCommerce final determinations and signature must be obtained by the original requestor and uploaded into the System of Record (naming convention: **accountID_ExceptionDeterm_MMDDYY**) along with a case note referencing the final FloridaCommerce determination. The Housing Exceptions Resolution and Coordination Meeting facilitator will update the file outcomes in the “FloridaCommerce_Irma_Housing Customer Service Exception Tracker.”

Should the panel determine that a case meets the Exceptional Case criteria, an “Exceptional Case” toggle must be selected in the System of Record to indicate that an applicant’s circumstances have been deemed exceptional through the policy exception process and to allow ongoing tracking of these files.

Policy Exception Request Review Meeting and Actions

The Policy Exception Request Form requestor will distribute printed copies for the designated panel members of the files to be presented and will read the narrative of each form aloud. Panel members will discuss each case. If further information is needed, the exception request will be placed on hold and re-evaluated at the next panel meeting. The requestor will be tasked with obtaining requested information and/or documentation prior to the next meeting. After deliberation, voting members of the panel will verbally vote to approve, deny, or request additional information. A majority is required to make a decision. Votes will be recorded during the meeting and captured in the meeting summary by the meeting facilitator. After voting, the FloridaCommerce-OLTR Chief of Business Operations or Deputy Director will mark the form “Approved”, “Not Approved”, or “Pending Additional Documentation” and sign/date the form to memorialize the determination.

If Pending Additional Documentation is selected, the form allows for a Second Review by the panel. The requestor must obtain requested additional information to present to the panel for a second review at the next, or a future meeting if additional time is necessary, panel meeting. A second review is considered a final determination by the panel.

3.2.1.6 Total Program Budget Breakdown

The current budget of the HRRP can be found in the Hurricane Irma Action Plan accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma. FloridaCommerce has split the amount budgeted for the HRRP to account for the most impacted and distressed communities and the remaining state-declared communities: 80 percent of the HRRP budget will be set aside for the MIDs. Of this, the Florida Keys has a set aside of \$50,000,000.

There is a max award of \$350,000 except for in Monroe County, which will have a maximum assistance amount of \$650,000. 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.

3.2.1.7 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
- FloridaCommerce’s Hurricane Irma Housing Repair and Replacement Program Desktop manual

3.2.1.8 HRRP Application Pilot Methodology

FloridaCommerce 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 FloridaCommerce’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 FloridaCommerce 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 Commerce (FloridaCommerce) 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. FloridaCommerce 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 FloridaCommerce 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. VOADs included, but were not limited to: American Red Cross, Americares, Catholic Charities, Church World Service, Collier COAD, Emergency Preparedness Division, FRIEND Inc., Greater Marco Long Term Recovery Group, Immokalee Unmet Needs Committee, Brevard County VOAD and Brevard Long Term Recovery Coalition, Lee County Emergency Management, Lee County Recovery, Long Term Recovery Coalition of Broward County, Miami-Dade Long Term Recovery Group, Monroe County Long Term Recovery Group, Northeast Florida Long Term Recovery Organization, Office of Emergency Management, Orange County Long Term Recovery Group, Polk County, Polk

Recovery After Disaster, Rebuilding Together Orlando, Rotary International, The Communities of Everglades Disaster Recovery (CEDR), United Way of Northeast Florida, and Volusia Interfaith/ Interagency Network in Disaster (VIND).

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, with the exception of Monroe County
- House built after 1978
- No Letter of Substantial Damage /No condemnation letter (Add into damaged section of application)
- Repair program

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 Commerce.

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, FloridaCommerce 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, 1,904 applications were 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 Commerce. 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 6: Pilot Applicant Status as of April 5, 2019

Task	Completed
Phase 1 Registrations (In Pilot)	415
Applications Started	369
Applications Completed	327
Withdrawn	38
Applications Not Complete	50
Initial Eligibility Review Completed	354
Ineligible	4
Pending Documents	257
Verified Complete	93
Withdrawn	0
Damage Assessments Ordered	415
Damage Assessment Completed	369
Environmental Review Ordered	415
Environmental Review Submitted to FloridaCommerce	339
DOB Complete	154
Award Processing Status	10
Benefit Determination Notification	3
Contractor Procured	0
Award Calculation & Notification	0
Construction NTP Issued	0
Construction Complete	0
Closeout	0

Table 7: Complete Population Status as of April 5, 2019

Task	Completed
Phase 1 Registrations	8, 656
Applications Started	3,097
Applications Completed	2,267

Withdrawn	38
Initial Eligibility Review Completed	2,251
Ineligible	41
Pending Documents	1628
Verified Complete	581
Withdrawn	1
Damage Assessments Ordered	563
Damage Assessment Completed	490
Environmental Review Ordered	415
Environmental Review Submitted to FloridaCommerce	339
DOB Complete	154
Award Processing Status	10
Benefit Determination Notification	3
Contractor Procured	0
Award Calculation & Notification	0
Construction NTP Issued	0
Construction Complete	0
Closeout	0

The final number of applicants that remained in the pilot program as of April 5, 2019 was 369. All 369 of these applicants participating have had the damage assessment and environmental review completed for submission to FloridaCommerce. 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 days¹ 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.

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

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.

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.

3.2.2 Workforce Affordable Rental New Construction Programs

National Objective

The national objective that is approved for this program is low- to moderate-income benefit.

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

3.2.2.2 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.

Program Budget Breakdown

The current budget of the Workforce Affordable Rental New Construction: Leveraging CDBG-DR Funds with Other Sources of Financing program can be found in the Hurricane Irma Action Plan accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma. FloridaCommerce has split the amount budgeted to the WFAH to account for the most impacted and distressed communities and the remaining state-declared communities. 80 percent of the amount allocated will be set aside for the MIDs. Of this, the Florida Keys will have a set aside specified in the Action Plan.

The maximum award per applicant is detailed in the Hurricane Irma Action Plan.

3.2.2.3 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.

Program Budget Breakdown

The current budget of the Workforce Affordable Rental New Construction: Funding for Small Rental Developments program can be found in the Hurricane Irma Action Plan accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma. FloridaCommerce has split the amount budgeted to the WFAH to account for the most impacted and distressed communities and the remaining state-declared communities. 80 percent of the amount allocated will be set aside for the MIDs.

The maximum award per applicant is detailed in the Hurricane Irma Action Plan.

3.2.2.4 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

3.2.3 Voluntary Home Buyout Program

3.2.3.1 National Objective

The national objectives of this program are LMI benefit and Urgent Need. To meet the LMI National Objective, proposed buyout areas will undergo a review of eligibility to ensure that the end use of the properties results in a project service area where at least 51 percent of the residents are LMI. FloridaCommerce will also allow projects designed to meet needs having a particular urgency which utilize the Urgent Need National Objective.

3.2.3.2 Responsible Entity for Administering

Units of General Local Government (UGLG).

3.2.3.3 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 all requirements of the Housing and Community Development Act of 1974, and must meet a national objective of LMI (by providing either a Low- and Moderate-income Area benefit [LMA] or meet Low/Moderate Housing Incentive Criteria, as stated in 83 FR 5864) or Urgent Need. 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.

3.2.3.4 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, FloridaCommerce will create a voluntary home buyout program to encourage risk reduction through the acquisition of residential property in high flood risk areas. FloridaCommerce 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 FloridaCommerce 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.

3.2.3.5 Total Program Budget Breakdown

The current budget of the Voluntary Buyout Program can be found in the Hurricane Irma Action Plan accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma. FloridaCommerce has split this budget to account for the most impacted and distressed communities and the remaining state-declared communities: 80 percent of the amount allocated 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.

3.2.3.6 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
- Voluntary Home Buyout Program Design
- Voluntary Home Buyout Subrecipient Policies and Procedures.

3.3 Economic Revitalization Activities

3.3.1 Workforce Recovery Training Program

3.3.1.1 National Objective

The national objectives of this program are LMI benefit and Urgent Need.

3.3.1.2 Responsible Entity for Administering

The Florida Department of Commerce, CareerSource Florida, and Local Workforce Development Board.

3.3.1.3 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. FloridaCommerce 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.

3.3.1.4 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 FloridaCommerce 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. FloridaCommerce, 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, FloridaCommerce 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)

3.3.1.5 Total Program Budget Breakdown

The current budget of the Workforce Recovery Training Program can be found in the Hurricane Irma Action Plan accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma.

There is not a maximum award amount.

3.3.1.6 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

3.4 Infrastructure Activities

3.4.1 General Infrastructure Repair Program

3.4.1.1 National Objective

The national objective for the program is low- and moderate-income benefit or urgent need.

3.4.1.2 Responsible Entity for Administering

The Florida Department of Commerce and subrecipients are the entities responsible for administering the General Infrastructure Program.

3.4.1.3 Program Requirements

Competitive Application Cycle Applicants will select projects or programs to propose to FloridaCommerce for funding in accordance with FloridaCommerce thresholds and objectives. These thresholds are:

- Projects must demonstrate tie-back to Hurricane Irma; and
- Projects must not duplicate benefits.

FloridaCommerce will also consider to what extent proposed projects or programs support the following objectives:

- Projects must support LMI housing needs;
- Projects must primarily serve LMI populations; or

- Demonstrate an urgent need in the community.

FloridaCommerce 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, FloridaCommerce will obtain justification from the local government or municipality to certify the urgency of the condition.

Applicants may pursue a range of eligible activities as allowed under CDBG-DR regulations for this appropriation, so long as they are in accordance with FloridaCommerce threshold requirements and the requirements for the applicable activity as outlined in the State Action Plan and Federal Register. Applicants will be required to meet HUD regulations, such as environmental, supplantation of benefits, fair housing and others.

3.4.1.4 Types 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;
- Re-nourishment 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, and other public properties); and
- Repairs to water lines and systems, sewer lines and systems, drainage and flood mitigation systems.

3.4.1.5 Total Program Budget Breakdown

The Infrastructure Repair Program has a total budget of \$56,696,914.14.

- Round 1: \$85,819,653 – Competitive Application Cycle
 - Minimum award amount: N/A
 - Maximum award amount: N/A
- Round 2: \$100,229,945 – Competitive Application Cycle
 - Minimum award amount: \$500,000
 - Maximum award amount: \$100,000,000

The original total budget for the Infrastructure Repair program was \$85,819,653. The amounts above reflect the total available funds at the time of the respective application cycle. The current total budget of the IRP can be found in the Hurricane Irma Action Plan which is accessible via www.floridajobs.org/CDBG-DR/Hurricane-Irma.

3.4.2 Use of CDBG-DR as Match

Additionally, funds may be used to meet a matching, share, or contribution requirement for any other 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.

Part 4 Regulatory and CDBG-DR Specific Processes for Subrecipient and State Managed Disaster Programs

4.1 Housing Repair and Replacement Program – Duplication of Benefits/Verification of Benefits Policy

Housing Repair and Replacement Program specific procedures are further explained in the program guidelines available on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma> Irma Housing Repair and Replacement Program (<http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-irma/irma-housing-repair-and-replacement-program>).

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 FloridaCommerce as detailed in the subrogation agreement.

4.1.1 FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by HRRP through a third-party verification process. If HRRP is unable to verify the FEMA IA amount through the verification process, HRRP will use the payment amount provided by the homeowner at the time of application, unless the amount is determined to be inaccurate through the verification process, in which case the Program will use the third-party verification source as the amount provided by FEMA.

If a homeowner is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, HRRP will use the documentation provided by the homeowner to adjust the FEMA IA payout amount. The documentation provided by the homeowner must come from FEMA and it will be included in the homeowner file.

4.1.2 FEMA National Flood Insurance Program (NFIP) Insurance

Any payments for loss to the dwellings during Hurricane Irma under NFIP insurance policies may be deducted from the amount the homeowner is eligible to receive. Payments for contents or other expenses are not deducted from the homeowner's award, as these are not duplicative of payments for structural loss. HRRP will verify payments by reviewing FEMA claim information or by providing a request for verification to FEMA. If a homeowner is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not related to the structural loss, HRRP will use the documentation provided by the homeowner to adjust the insurance payout within the DOB calculation. The documentation provided by the homeowner must come from the insurance company which issued the payments and it will be included in the homeowner file.

4.1.3 Increased Cost of Compliance (ICC)

Structures damaged by a flood may be required to meet certain building requirements to reduce the risk of future flood damage before the structure can be repaired or rebuilt. To help cover these costs, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance coverage for all new and renewed Standard Flood Insurance Policies. ICC is a duplication of benefits if a structure owner requests reimbursement or additional assistance for elevation, demolition, flood proofing or relocation—one of the four options available under ICC—and has already received an ICC benefit under the NFIP.

The program will determine DOB regarding ICC funds for elevation and/or demolition activities. If the Program is unable to determine the amount/or purpose of the ICC proceeds using documentation provided by the applicant, FloridaCommerce will seek additional information from other reliable sources including other governmental programs, including direct information available from NFIP.

4.1.4 Private Insurance

All private insurance settlement amounts for loss to dwellings are considered a DOB and may reduce the amount of disaster assistance. Insurance proceeds are often broken into different categories that may cover contents or the structure of the home. Only those proceeds for repair, replacement, or mitigation of the structure and recoverable depreciation will be included in the DOB calculation. Insurance proceeds paid for contents will be excluded from the DOB calculation.

Insurance proceeds are determined and verified by HRRP by contacting the insurance company and verifying proceeds. If HRRP is unable to verify the private insurance proceeds through the insurance company, HRRP will use the claims payout provided by the homeowner. If a homeowner is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, HRRP will use the documentation provided by the homeowner to adjust the private insurance payout in the DOB calculation.

Mold remediation is not included in the home evaluation for structural loss during insurance claims adjusting procedures. Therefore, insurance payments to cover mold remediation are not deducted from a homeowner's funding assistance award. The documentation provided by the homeowner must come from the insurance company that issued the payments or an order from an administrative proceeding or court of competent jurisdiction.

4.1.5 Small Business Administration (SBA)

As described in HUD's [Duplication of Benefits Guidance as written in Federal Register, Vol. 84, No. 119, June 20, 2019](#), the full amount of an SBA loan available to an applicant for the same purpose as HRRP 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. An SBA loan is available when it is accepted, meaning that the Borrower (applicant) has signed a note or other loan document that allows the lender (SBA) to advance loan proceeds.

The approved SBA loan for repair of the damaged dwelling will be counted as a duplication of benefits, except in the following circumstances:

- **Declined Subsidized Loans.** If an applicant (borrower) was approved for a loan but did not execute a loan agreement (applicant never signed loan documents to receive the loan proceeds), the offered loan amount will be considered declined and not considered a duplication of benefits.
- Declined loans must be documented through the SBA data feed (absent an LAA Date) in conjunction with written communication from the lender (SBA).
- **Cancelled Subsidized Loans.** The applicant (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. The cancelled loan amount is the amount that is no longer available to the applicant. If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a duplication of benefits.
- Cancelled loans that were never drawn must be documented through the SBA data feed demonstrating the \$0 draw in conjunction with written communication from the lender (SBA).
- Cancelled loans that had a portion of the loan drawn, but the remainder cancelled must be verified in the SBA data feed in conjunction with written communication from the lender (SBA). The accepted current loan amount will be considered a duplication of benefits.

- **Accepted but Undisbursed Loan Amounts.** This situation is similar to cancelled loans, but no formal action was taken by the applicant (borrower) or lending agency (SBA) to formally cancel the loan. Accepted but undisbursed subsidized loan amounts are not considered a DOB but are subject to further requirements. The undisbursed loan amount will not be considered a DOB; however, applicants may not request subsequent draws from the undisbursed portion of the loan.

A written agreement will be required between the applicant and FloridaCommerce. The applicant must agree, in writing, that he/she will not pursue future draws against any open SBA loans or reinstate declined, cancelled or expired loans.

- Accepted but undisbursed loans that were never drawn must be documented through the SBA data feed demonstrating the \$0 draw in conjunction with written communication from the lender (SBA).
- Accepted but undisbursed loans that had a portion of the loan drawn, but the remainder never disbursed must be verified in the SBA data feed in conjunction with written communication from the lender (SBA). The disbursed loan amount will be considered a duplication of benefits.

If necessary, the HRRP will revise DOB calculations retroactively to be 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. Further, all future calculations of DOB will exclude SBA loans that meet the parameters of this policy.

4.1.6 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.

4.1.6.1 Allowable Cost of Repairs

Homeowners who used benefits received from insurance, SBA, and FEMA or other sources to make repairs to their Hurricane Irma-damaged property and can document these expenditures may be able to deduct verifiable amounts of these expenditures from the DOB assessment. This means that the original DOB amount assessed by HRRP can be reduced by the amount the homeowner spent on verifiable eligible repairs.

The homeowner will be required to document repairs made to the home with receipts and photographs. Copies of all receipts that support repairs to the home, proof of payments in chronological order to match submitted receipts must be provided to the program to document eligible expenditures. Cash is not an acceptable proof of payment. HRRP will accept self-certifications when calculating the amount of repairs if the homeowner lacks all receipts and all proof of payment to document the total cost of repairs. In instances where home repair receipts do not fully account for the repairs completed, HRRP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the storm-related repairs performed by conducting a Completed Repairs Estimate (CRE).

For self-certification, the following requirements apply:

1. The homeowner must provide a signed self-certified statement that documents, in detail, all labor and/or repairs made to the damaged property following the hurricane.
2. A program inspector must determine with reasonable assurance that the repairs were made after the date of the hurricane.

3. Photographs documenting that the repairs were made.

4.1.7 Contractor Fraud

If a homeowner was a victim of contractor fraud, the amount paid to the contractor is not to be counted as a DOB provided the homeowner filed a police report and made every effort to recover the funds prior to the date of the application.

4.1.8 Forced Mortgage Payoff

If a homeowner's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a DOB. In such cases, the amount verified by HRRP that was used for this purpose can be excluded from the DOB calculation if it is supported by appropriate supporting documentation. Such documentation should be in the form of a letter that is on mortgage company letterhead and signed by an authorized mortgage company representative stating the homeowner was required to use disaster assistance funds for mortgage pay down. HRRP will attempt to verify this information with the homeowner's mortgage company. Voluntary mortgage payoff, using insurance proceeds, is a DOB that will be counted in a homeowner's award calculation.

4.1.9 Legal Fees

Legal fees that were paid in successfully obtaining insurance proceeds will be credited to the homeowner and will be excluded as part of their Duplication of Benefits. Homeowners will need to provide evidence of payment and a judgment or settlement document demonstrating homeowner's success in the legal action. All other legal fees that a homeowner may have paid out of any disaster assistance proceeds will be included as part of their DOB.

4.1.10 Tax Filings

Personal income tax filings related to losses to the home do not affect funding assistance awards and are not considered DOB. Homeowners should consult their personal tax consultant to seek guidance regarding any tax-related matters.

4.1.11 Calculating the Amount of DOB Offset

Documented expenses for eligible home repair related to Hurricane Irma will be totaled and considered for credit to the homeowner. The cost of interim housing (rent, hotel payments, RV purchase, motor home purchase, travel trailer purchase) while the damaged home was unlivable can be excluded from the DOB amount.

In instances where home repair receipts do not fully account for the repairs completed or the funds received, HRRP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the storm related repairs performed by conducting a Completed Repairs Estimate (CRE). Self-certified statements of homeowners must be reviewed in detail by HRRP to determine:

1. Whether the repairs could be reasonably determined as occurring after the hurricane.
2. A reasonable value of the cost of repairs to the home (including possible labor).

The value of eligible repairs, as determined by HRRP, will be compared to the total amount of DOB. If the DOB amount exceeds the documented amount of home repair expenses, then the difference between the two amounts will be deducted from the homeowner's award. This is referred to as a DOB gap.

Homeowners with DOB gaps must fund the shortfall in order to complete construction. If a homeowner elects to fund a shortfall, the homeowner must secure the funding before the time of signing the Homeowner Grant Agreement. Repair expenses in excess of the prior benefits received will not be reimbursed by the program.

4.1.12 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 homeowner must enter into a subrogation agreement where the funding agency (FloridaCommerce) obtains the right to collect any additional disaster recovery or insurance payouts the homeowner receives for Irma damages after the homeowner has entered into a grant agreement for HRRP benefits.

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

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

4.1.13 Calculating Potential Duplication of Benefits

The full DOB will be accounted for at the time of the repair award calculation. The DOB check will be completed during the eligibility review of a homeowner’s file, prior to the execution of the Grant Agreement and again prior to the processing of the final draw of funds.

All DOB funding must be accounted for prior to the homeowner receiving an award. Homeowners with a duplication must place all DOB funding in the program’s DOB Gap Funding account.

Table 8: Sample Award Table

Program Information	
Household Income	Total Household Income Amount
Household Members	Number of Household Members
AMI Percentage	AMI Percentage Amount
Damaged Structure Type	Structure Type Identification
% Damage	Percent Damaged Amount
Benefit	Type of Benefit (Repair, Replace, or Reconstruct)
Duplication of Benefits	
FEMA IA	\$0.00, or Amount Received
SBA	\$0.00, or Amount Received
Homeowners Insurance	\$0.00, or Amount Received
Flood Insurance	\$0.00, or Amount Received
ICC	\$0.00, or Amount Received
Non-profit/Other	\$0.00, or Amount Received

Total Disaster Recovery Assistance	\$0.00, or Total Amount Received
Allowable Eligible Activities	Amount of Allowable Eligible Activities (CRE)
DOB Gap Funding Required at Closing	Amount of Gap Funds Required

4.1.14 Zero Award

An applicant can meet the requirements for program eligibility, but not qualify for an award. This is known as a zero award. A zero-award file is identified as a file where an applicant’s total Duplication of Benefits (DOB) exceed the total eligible award amount (remaining Hurricane Irma damage) for a repair, reconstruction, or replacement benefit.

4.1.15 DOB Gap Funding

Applicants must provide funding to cover gaps in the cost of construction if there is a gap in funding caused by a Duplication of Benefits (DOB). Additional funds provided by homeowners will be deposited into a DOB Gap Funding Account to be used during the construction of the home. Homeowners may not utilize DOB Gap Funding for construction activities such as upgrades, additions or other unnecessary activities. Homeowner-provided funds that are deposited into the DOB Gap Funding Account for DOB will count toward the CDBG-DR cap limits. Assistance for each property is capped up to \$350,000. All DOB Gap Funding will be drawn down first, prior to the use of program funds.

There will be five checkpoints for DOB throughout the process: (1) during the eligibility review of a homeowner’s file; (2) prior to the execution of the Grant Agreement; and (3) prior to the processing of the file closeout.

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.

Table 9: Example Grant Calculation

EXAMPLE GRANT CALCULATION	
Eligible Repair Costs	\$95,000
Duplication of Benefits	
FEMA assistance for structural repairs	\$20,000
Private Insurance for structural repairs	\$35,000
Total Duplication of Benefits	\$55,000
Maximum Eligible Grant Award	\$40,000

4.2 FloridaCommerce Financial and Grant Management

The OLTR Financial Management unit works in coordination with FloridaCommerce’s Division of Finance and Administration to ensure all CDBG-DR grant funding allocated to the State of Florida from the U.S. Department of Housing and Urban Development (HUD) is being used to implement and administer disaster recovery and resiliency programs. The CDBG-DR grant funding is required to be used for expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure and economic development, and mitigation/resiliency against future natural disasters. All CDBG-DR program costs must be necessary, reasonable, allowable and allocable as outlined in 2 CFR 200 Subpart E. The

OLTR Financial and Grant Management Policy Manual, Section 5.0, details the Financial and Grant Management procedures that FloridaCommerce has in place to manage the CDBG-DR grant program.

4.3 FloridaCommerce Procurement Methods and Contractual Requirements

4.3.1 Overview

The standards and guidelines for procurement of supplies, equipment, construction, engineering, architectural, consulting and other professional services have been established in the 4.02, FloridaCommerce Purchasing Guidelines and Policy 4.02, FloridaCommerce Purchasing Policy. FloridaCommerce follows the procurement processes and standards of the State of Florida as prescribed in Chapter 287, Procurement of Personal Property and Services and Chapter 67-49, Florida Administrative Code, Procurement of Commodities or Contractual Services. FloridaCommerce imposes the requirements of 2 C.F.R. 200.326 on its subgrantees and subrecipients.

The following regulations should be reviewed for more detailed information:

- 2 CFR 200, Subpart D (federal procurement regulations)
- 24 CFR 135, and 24 CFR 75 (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 OLTR Contracts unit works closely with the FloridaCommerce Procurement office and facilitates the initiation of any OLTR procurement that is being sought to provide the implementation and administration of the CDBG-DR program.

4.3.2 Procurement Management Procedure

4.3.2.1 Procedures for Competitive Solicitations

1. FloridaCommerce Purchasing Office will hold a preliminary meeting with the contract manager/requestor to review the procurement checklist located on the FloridaCommerce procurement intranet site and acquire a clear understanding of the solicitation methods and requirements provided in chapter 287, Florida Statutes.,
2. Both the designated 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 the designated purchasing office staff member and the program area contract manager 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 FloridaCommerce 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, the program area is required to work with 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, the purchasing office will review and provide the PRIDE and RESPECT purchasing requirements along with a product and service list to the program area prior to deciding on another procurement method. If PRIDE and/or RESPECT product or service will not be utilized, the purchasing office will need to obtain justification from the program area.
6. The program area is required 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. The 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. The 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 is 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 be routed through purchasing office, Contracts and Grants Administration (CGA), and the 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 route a hard copy of the solicitation document along with a completed procurement routing review form through the established 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. The 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. The Procurement Officer will print and file the final solicitation documents in the official procurement folder.
18. The Procurement Officer will print the VBS posting, post to bulletin board, and file one copy in the procurement folder.
19. The Procurement Officer will need to send an e-mail to the Office of Supplier Diversity (OSD) advising them of the solicitation and file a copy of the e-mail in the procurement folder.
20. The Procurement Officer will notify the Program Area by email that the solicitation has been posted to VBS.
21. The Procurement Officer will set-up the solicitation "Calendar of Events" in Outlook.
22. The 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. The Procurement Office will post Technical Questions and Answers posted on the Vendor Bid System.
26. The Procurement Officer will notify the Program Area by email that the Technical Questions and Answers have been posted to VBS.
27. The 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)** The Procurement Officer 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, FloridaCommerce 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 FloridaCommerce.

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. The Procurement Office will complete and verify the Evaluation Summary Score Sheet and place 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 be resolved by FloridaCommerce Legal, or it will go to Division of Administrative Hearings (DOAH). If resolved with FloridaCommerce 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.

4.3.3 Subsidized Loans

4.3.3.1 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.

4.3.3.2 Exceptions

1. Reimbursement of grantee or subrecipient expenses
2. Declined or cancelled subsidized loans
3. Subsidized loans that meet statutory exception of DRRRA amendments of 2018 to the Stafford Act

4.3.3.3 Applicability

Hermine and Matthew were both named storms in 2016 and Hurricane Irma occurred in 2017. As such each of FloridaCommerce's disaster recovery programs are subject to the provisions of the DRRRA and may use exception iii of Section V.B.2 of 84 FR 28836. For DRRRA 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 DRRRA, 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. FloridaCommerce 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 FloridaCommerce 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 FloridaCommerce or subrecipient and the applicant.

FloridaCommerce 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. FloridaCommerce 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 DRR.

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, FloridaCommerce has developed a written agreement between the grant applicant and FloridaCommerce binding the applicant to refrain from pursuing future draws against SBA loans. FloridaCommerce 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.

4.3.4 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.

4.4 FloridaCommerce Contracts Procedure

The OLTR Contracts unit works closely with the FloridaCommerce Contracts and Grants Administration (CGA) Office to provide assistance to management and program contract managers regarding any type of contract or contract amendment. Once contracts or amendments have been finalized and approved by the OLTR management team, the OLTR Contracts team emails the contract to CGA for the beginning of the FloridaCommerce review and approval process.

4.4.1 Preliminary Review Phase

1. OLTR Contracts Analyst will review the draft contract developed by the program area. Email agreement, executive summary and routing review form to "contract number request" inbox for agreement number.
2. Bureau of Financial Management (BFM)/Bureau of Budget Management (BM) assigns agreement number and verifies budget information on the routing review form,
3. BFM/BM emails routing review form to OLTR Contract Analyst along with the agreement number.
4. OLTR Contract Analyst receives routing review form, prepares packet, and emails to Contracts and Grants' FloridaCommerce email inbox

5. Contracts and Grants Administration (CGA) uploads the draft contract packet to SharePoint folder and conducts a preliminary review
6. CGA notifies the Office of General Counsel (OGC) that the contract is ready to review
7. OGC reviews and edits contract in SharePoint
8. CGA reviews contract and notifies program area contract packet is ready for review and finalization
9. Program area will review and finalize contract and notify CGA when the contract is final and ready to route for pre-execution.

4.4.2 Pre-Execution Hard Copy Review Phase

1. CGA will prepare packet/DocuSign envelope and send contract, routing review form and executive summary to BFM
2. BFM 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

4.4.3 Final Execution Phase

1. Program receives signed agreement from entity
2. Program area sends signed copy to the OLTR Contract team
3. OLTR Contract Team sends agreement packet, routing review form and executive summary (hard copy or e-copy) to CGA for execution
4. CGA reviews agreement and routes to OGC
5. OGC reviews, signs for legal sufficiency and notifies CGA
6. CGA sends agreement and obtains appropriate signatures according to delegation of authority for final signature
7. CGA sends executed copy to program area and OLTR Contract team.
8. Program sends final copy of contract to entity
9. Program sends FACTS forms to Bureau of Financial Management, copies CGA and DFS Voucher Returns
10. Bureau of Financial Management updates FACTS

4.5 FloridaCommerce 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 FloridaCommerce 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
- Correspondence
- Payment documentation
- 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.

More detailed information on FloridaCommerce's Financial Policies and Procedures is found in the Comprehensive Financial and Grant Management Policy Manual.

Appendices

In addition to the Office of Long-Term Resiliency Hurricane Irma Policy Manual, OLTR program activities maintain program-specific documents to aid in the administration and implementation of CDBG-DR funded Hurricane Irma recovery activities. These additional documents provide policies, procedures, and guidelines that are more specific to program activities than the Hurricane Irma Action Plan for Disaster Recovery and the Policy Manual. These documents may include the following:

Subrecipient Policies and Procedures

Subrecipient Policies and Procedures are created for FloridaCommerce's subrecipient administered CDBG-DR programs. These Policies and Procedures serve to assist program staff, subgrantees and subrecipients in implementing and managing disaster recovery grants.

Program Guidelines

Program Guidelines serve to provide guidelines for the requirements for CDBG-DR funded activities carried out by the grantee, FloridaCommerce.

Program Design

Program Design documents are created to aid FloridaCommerce's subgrantees in the creation of a CDBG-DR funded program compliant with State and Federal regulations.

Program Guidebooks

Similar to guidelines, Program Guidebooks provide an outline for the requirements for CDBG-DR funded activities.

Appendix 1: Housing Repair and Replacement Program

Additional information and program resources for the Housing Repair and Replacement Program (HRRP) is located on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma> Housing Repair and Replacement Program (<https://www.floridajobs.org/CDBG-DR/hurricane-irma/irma-housing-repair-and-replacement-program>).

Single Family and Mobile/Manufactured Housing

Program Guidelines

The Rebuild Florida Single Family and Mobile/Manufactured Housing Guidelines are available on the FloridaCommerce website Hurricane Irma Housing Repair and Replacement Program page.

These guidelines are also available in both Spanish and Haitian Creole on the Housing Repair and Replacement Program page.

Rental Property

Program Guidelines

The Rebuild Florida Rental Property Guidelines are located on the FloridaCommerce website Hurricane Irma Housing Repair and Replacement Program page.

These guidelines are also available in both Spanish and Haitian Creole on the Housing Repair and Replacement Program page.

Additional Program Resources

Additional program resources available on the Housing Repair and Replacement Program webpage include, but are not limited to:

- Information on appeals, including:
 - How to File an Appeal - Step by Step Instructions
- Housing Repair and Replacement Program Notice of Informal Appeal
- Housing Repair and Replacement Program Complaint Form

Appendix 2: Workforce Affordable Housing Rental New Construction Program: Leveraging Other Sources of Financing and Small Rental Development

The FloridaCommerce Office of Long-Term Resiliency, in partnership with the Florida Housing Finance Corporation (Florida Housing), has launched the Rebuild Florida Affordable Workforce Housing Construction Program. The program provides CDBG-DR funding for the construction of new affordable workforce housing to help address housing shortages worsened by Hurricane Irma. This funding is awarded by FloridaCommerce'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/2020/>).

Appendix 3: Voluntary Home Buyout Program Resources

Additional information and program resources for the Voluntary Home Buyout (VHB) Program is located on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma> Voluntary Home Buyout Program (<https://www.floridajobs.org/CDBG-DR/hurricane-irma/irma-voluntary-home-buyout-program>).

Subrecipient Policies and Procedures

Program-specific Subrecipient Policies and Procedures are available on the FloridaCommerce website Rebuild Florida Voluntary Home Buyout Program page.

Program Guidelines

The Voluntary Home Buyout Program Guidelines are available on the FloridaCommerce website Hurricane Irma Voluntary Home Buyout page.

These guidelines are also available in both Spanish and Haitian Creole on the Voluntary Home Buyout page.

Program Design

The Voluntary Home Buyout Program Design is available on the FloridaCommerce website Hurricane Irma Voluntary Home Buyout page.

The program design document is also available in both Spanish and Haitian Creole on the Voluntary Home Buyout page.

Additional Program Resources

Additional program resources available on the Voluntary Home Buyout program webpage include, but are not limited to:

- Instructions for completing a Voluntary Home Buyout Application
- Voluntary Home Buyout Request for Applications
- Voluntary Home Buyout Frequently Asked Questions.

Appendix 4: Workforce Recovery Training Program

Additional information and program resources for the Workforce Recovery Training Program (WRTP) is located on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma> Workforce Recovery Training Program (<https://www.floridajobs.org/CDBG-DR/hurricane-irma/rebuild-florida-workforce-recovery-training-program>).

Subrecipient Policies and Procedures

Program-specific Subrecipient Policies and Procedures are available on the FloridaCommerce website Rebuild Florida Workforce Recovery Training Program page.

Program Guidelines

The Workforce Recovery Training Program Guidelines are available on the FloridaCommerce website Rebuild Florida Workforce Recovery Training Program page.

These guidelines are also available in both Spanish and Haitian Creole on the Workforce Recovery Training Program page.

Additional Program Resources

Additional program resources available on the Workforce Recovery Training Program webpage include, but are not limited to:

- Workforce Recovery Training Program Request for Applications (RFA)
- Workforce Recovery Training Program RFA Attachments
- Workforce Recovery Training Program Frequently Asked Questions.

Appendix 5: Infrastructure Repair Program

Additional information and program resources for the Rebuild Florida Infrastructure Repair Program is located on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma> Infrastructure Repair Program (<https://www.floridajobs.org/CDBG-DR/hurricane-irma/irma-infrastructure-repair-program>).

Subrecipient Policies and Procedures

Infrastructure Repair Program-specific Subrecipient Policies and Procedures are available on the FloridaCommerce website Rebuild Florida Infrastructure Repair Program page.

Program Guidebook

The Infrastructure Repair Program Guidebooks (Cycle 1 and Cycle 2) are available on the FloridaCommerce website Rebuild Florida Infrastructure Repair Program page.

Program Guidebooks are also available in both Spanish and Haitian Creole on the Infrastructure Repair Program page.

Additional Program Resources

Additional program resources available on the Infrastructure Repair Program webpage include, but are not limited to:

- Rebuild Florida Infrastructure Repair Program Applicant Information Form
- Rebuild Florida Infrastructure Repair Program Proposal Information Form
- Work Plan Examples
- Budget Examples
- Infrastructure Repair Program Frequently Asked Questions.

Appendix 6: Citizen Participation Plan

The Citizen Participation Plan is located on the FloridaCommerce website at www.floridajobs.org under Home > Community Planning, Development and Services > Community Development Block Grants > Office of Long-Term Resiliency> Hurricane Irma (<http://www.Floridajobs.org/CDBG-DR/Hurricane-Irma>).