



Non-Federal Cost Share Match Program Policies

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Note: This program policy is subject to final approval of outstanding policy decisions by the Department of Housing and Urban Development and FEMA

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Version History

07/14/2017	Version 1 Published
09/25/2018	Version 2 Published <ul style="list-style-type: none">• Added Donated Resources. Section 11• Emergency and Exigent Circumstances. Section 5.3
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Non-Federal Cost Share Match Program

1. Introduction and Definitions

The ***Non-Federal Cost Share Match Program*** was submitted to HUD and approved through the State's Action Plan and ensuing amendments as a result of CDBG-DR funding received in response to the 2016 Floods (DR 4263 and DR 4277). The Program is designed to assist state agencies, public entities, local non-profit organizations and other eligible grantees through leveraging CDBG-DR funds with FEMA Public Assistance (FEMA PA) and Transitional Sheltering Assistance (FEMA TSA) resources provided to Louisiana to maximize, facilitate and ensure recovery. In this Program, CDBG-DR funds are limited to covering the non-federal cost share match portion as it relates to FEMA PA eligible project worksheets (PWs). The CDBG-DR funds in this program may not be used to expand a project beyond what is approved by FEMA in a PW.

Additionally, in order for CDBG-DR assistance to be used as the non-federal cost share match, the activity must be an eligible activity and must meet a national objective, per CDBG-DR rules and regulations. Similarly, the project must fully comply with all applicable rules and regulations, to include Davis Bacon and Related Acts, Section 3, Section 504, procurement, environmental review and all other CDBG-DR, cross-cutting, state and local applicable statutes, rules and regulations. All Program payments will be reimbursed based on actual costs incurred.

Definitions:

Community Development Block Grant – Disaster Recovery (CDBG-DR): Assistance from the U.S. Department of Housing and Urban Development (HUD) to help the state recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

Critical Action -- 3)(i) Critical action means any activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons, or damage to property. Critical actions include activities that create, maintain or extend the useful life of those structures or facilities that: (A) Produce, use or store highly volatile, flammable, explosive, toxic or water-reactive materials;(B) Provide essential and irreplaceable records or utility or emergency services that may become lost or inoperative during flood and storm events (e.g., data storage centers, generating plants, principal utility lines, emergency operations centers including fire and police stations, and roadways providing sole egress from flood-prone areas); or(C) Are likely to contain occupants who may not be sufficiently mobile to avoid loss of life or injury during flood or storm events, e.g., persons who reside in hospitals, nursing homes, convalescent homes, intermediate care facilities, board and care facilities, and retirement service centers. Housing for independent living for the elderly is not considered a critical action. (ii) Critical actions shall not be approved in floodways or coastal high hazard areas.

Cross-cutting regulations: Regulations outside of CDBG-DR regulations that apply to CDBG-DR programs. These include regulations pertaining to financial management, procurement, environmental, labor, acquisition, relocation, fair housing, and non-discrimination.

Davis Bacon and Related Acts (DBRA): Federal law requiring payment of local prevailing wages as determined by the Department of Labor on public works projects. It applies to contractors and subcontractors performing work on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair of public buildings or public works.

Duplication of Benefits (DOB): A duplication of benefit is the receipt of funding from multiple sources for the same purpose. The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value.

Emergency work: FEMA's Public Assistance program designation for disaster response tasks including debris removal (Category A) and emergency protective measures (Category B) that occur immediately after a disaster.

Environmental review record (ERR): the document resulting from required environmental review, which includes a description of activities, evaluation of environmental impact, documentation of compliance with applicable environmental regulations, and an environmental determination.

FEMA Public Assistance (FEMA PA): Provides grants to state, tribal, territorial, and local governments, and certain types of private non-profit organizations so that communities can quickly respond to and recover from major disasters or emergencies. Through the program, FEMA provides supplemental federal disaster grant assistance for debris removal, life-saving emergency protective measures, and the repair, replacement, or restoration of disaster-damaged publicly owned facilities, and the facilities of certain private non-profit organizations.

FEMA Transitional Shelter Assistance (FEMA TSA): Provides short-term lodging assistance for evacuees who are not able to return home for an extended or indeterminate period following a disaster.

Grantee: State Agency or local government, private non-profit organization, or other legal entity, which public assistance funds were awarded via FEMA PA and a participation form was submitted to the Non Federal Match Program for the use of CDBG-DR funding.

Large Project: FEMA designation for PA projects that exceed the small project threshold (\$121,800 for 2016 disasters). For large projects, payment is made on the basis of actual costs determined after the project is completed; although interim payments may be made as necessary. FEMA will continue to monitor the recovery progress to ensure the timely delivery of eligible assistance and compliance with the law and regulations.

Low to Moderate Income (LMI): A household is considered to be of low or moderate income if the household income (including income derived from assets) is at or below 80 percent of an area's median income. All income is based on the Area Median Income limits set annually by HUD for each parish or metropolitan statistical area.

Permanent work: FEMA's Public Assistance program designation for "recovery work" which restores or rebuilds a damaged asset and is comprised of five categories: roads and bridges (Category C), water control facilities (Category D), buildings and equipment (Category E), utilities (Category F), and parks, recreation facilities, and other facilities (Category G).

Project worksheet (PW): FEMA form used to document the scope of work and cost estimate for a FEMA Public Assistance project. This form supplies FEMA with the information necessary to approve the scope of work and itemized cost estimate prior to funding. The PW may include mitigation measures up to 100% of the eligible PW value.

Request for Release of Funds (RROF): An environmental review term for a process used by Responsible Entities (the state) when requesting the release of funds and the authority to use such funds for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and states. The approval of the RROF is required before environmental clearance may be provided to a recipient of CDBG-DR funds.

Section 3: A provision of the Housing and Urban Development (HUD) Act of 1968 that requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

Section 504: A provision of the Rehabilitation Act of 1973, which provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Small project: FEMA defined as projects falling below a certain threshold. The threshold is adjusted annually for inflation. For fiscal year 2016, that threshold is \$121,800. For small projects, payment of the FEMA federal share is made upon approval of the project and notification is required upon completion of the project.

2. Funding Sources

Every project in the Non-Federal Cost Share Match Program leverages CDBG-DR funding with other federal disaster recovery funding sources that act as the primary funding source. This section briefly describes those other federal funding sources.

2.1. Federal Emergency Management Agency Public Assistance Overview

When a disaster occurs it is the responsibility, first of the local community, and then of the State, to respond. Often their combined efforts are not sufficient to address the impact of the disaster. These situations call for federal assistance to supplement State, tribal and local efforts. The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 (Stafford Act), as amended, authorizes the President to provide such assistance. Assistance is coordinated through FEMA, which is the primary disaster response agency in the Federal government. It is an agency within the U.S. Department of Homeland Security (DHS).

FEMA provides grants to states and communities that allow them to address immediate, post-disaster response needs and long term rebuilding needs through the Public Assistance (PA) program. FEMA also provides funds to assist individuals in addressing a number of needs including housing needs resulting from the disaster in the immediate aftermath of an event through the Individual Assistance program (IA). IA includes the FEMA Transitional Sheltering Assistance (TSA) program, whereby the Federal government through FEMA pays for impacted citizens to stay in hotels or available rentals until communities and homes are safe for their return. FEMA generally provides those funds to state-level grantees with a cost share or match requirement. The FEMA federally funded portion is 75%, requiring a 25% match by the receiving entity. In larger disasters and based on FEMA calculations, the federally-funded portion can go to 90% or even 100% in some cases. In the case of the LA 2016 Floods, for the March 2016 Flood (DR 4263) the cost share or match requirement is 25%. For the August 2016 Flood (DR 4277) the cost share or match is reduced to 10% for FEMA PA and FEMA TSA.

Following a disaster, and upon official declaration by the President of the United States, FEMA designates area(s) as eligible for assistance. Following the federally declared flood disasters in March and August 2016, FEMA designated areas as eligible for PA funds in the State of Louisiana. [Figure 1](#) and [Figure 2](#) on the following pages show the areas declared for FEMA PA for the LA-declared flood disasters of 2016. FEMA TSA is limited to the FEMA IA declared parishes for the applicable disaster.

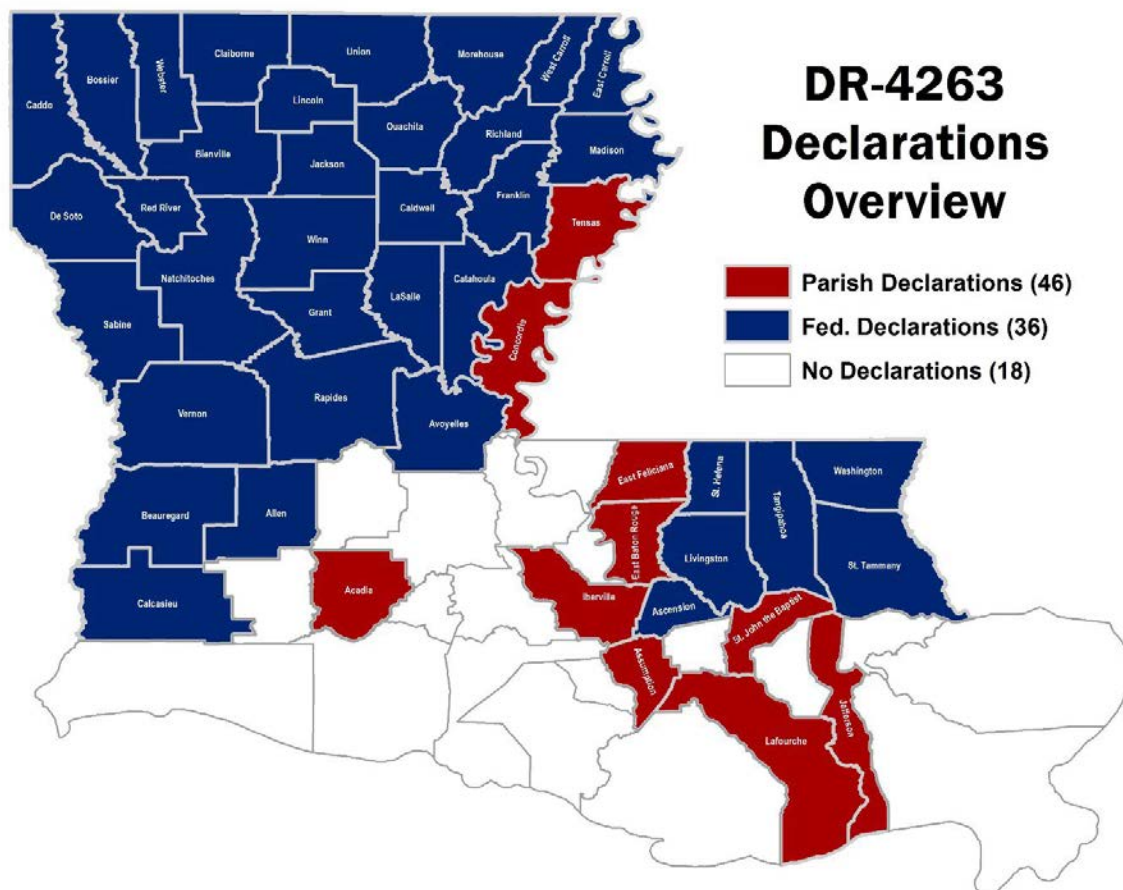
The Office of Community Development Disaster Recovery Unit (OCD-DRU), through its FEMA Non-Federal Cost Share Match Program, is assisting affected entities eligible for assistance under

FEMA PA and FEMA TSA. The Non-Federal Cost Share Match Program is guided by the Stafford Act, USC 5121, The Code of Federal Regulations Title 44 Parts 13.36, 13.37 and 13.40, and the FEMA Disaster Assistance Guidance 9500 Series, as well as applicable HUD CDBG-DR regulations.

As a result of the March 2016 floods (DR-4263), FEMA declared 36 parishes as eligible for FEMA PA:

Allen, Ascension, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Catahoula, Claiborne, DeSoto, East Carroll, Franklin, Grant, Jackson, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Rapides, Red River, Richland, Sabine, St. Helena, St. Tammany, Tangipahoa, Union, Vernon, Washington, Webster, West Carroll and Winn.

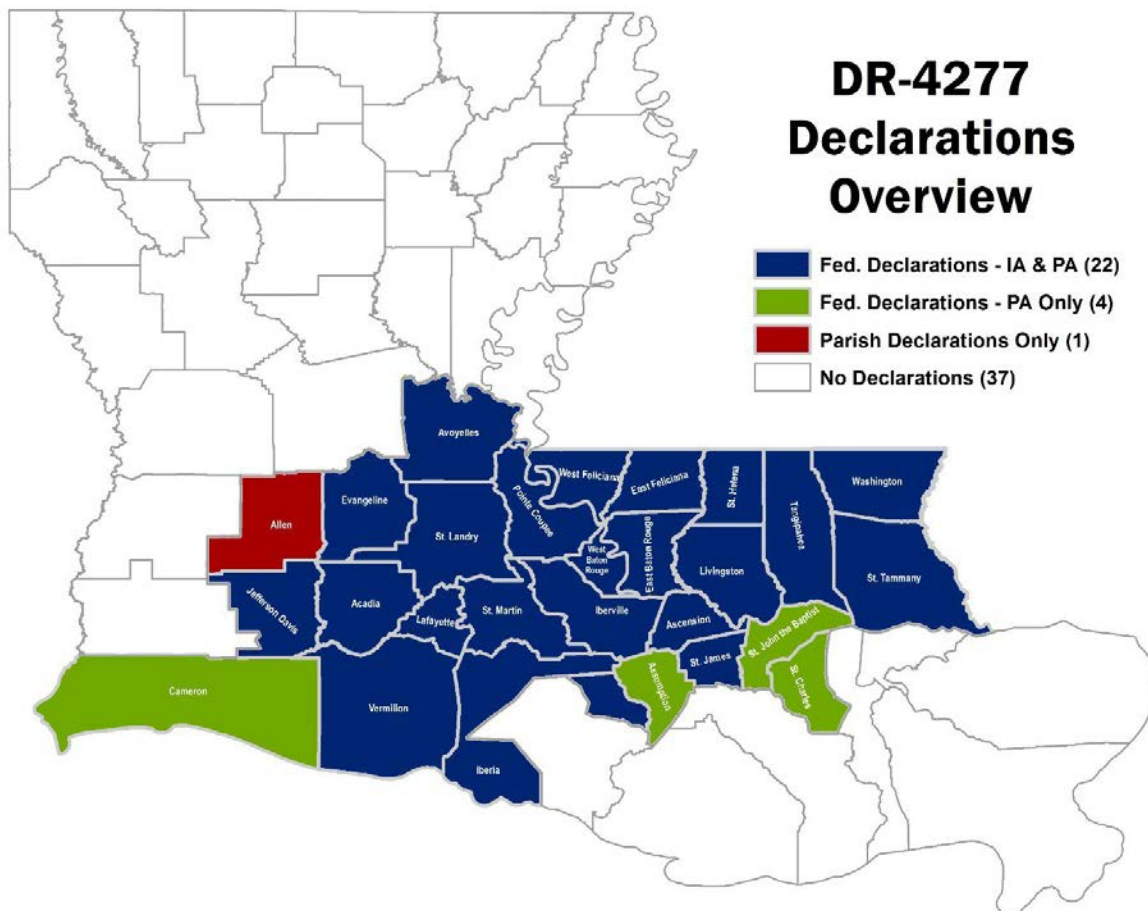
FIGURE 1: MARCH 2016 (DR-4263) FEMA PA PARISH DECLARATIONS



Following the August 2016 flood (DR.4277) events, FEMA declared 26 parishes as being eligible for FEMA PA:

Acadia, Ascension, Assumption, Avoyelles, Cameron, East and West Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington and West Feliciana.

FIGURE 2: AUGUST 2016 (DR-4277) FEMA PA PARISH DECLARATIONS



2.2. FEMA PA Categories

FEMA has a detailed process that categorizes eligible projects by the type of work that needs to be repaired, restored or removed following a disaster. FEMA PA projects are described as either being for emergency work (response related), or for permanent work (recovery related). PWs clearly document the eligible work approved by FEMA. Emergency work takes place immediately prior to and after an event and is comprised of two categories, Category A and Category B work. Permanent work restores or rebuilds a damaged asset, allowing for mitigation, and is comprised of five categories (Categories C-G). FEMA clearly distinguishes the eligible work through the series of work categories outlined below to prevent a Duplication of Benefits. PA grantees can have work at the same facility that is both response and recovery related and across multiple categories. Only public entities, organizations, and specific not-for-profit entities are eligible for FEMA PA funding and they must demonstrate a direct tie to the storm to be eligible for payment. Private companies and utilities cannot receive funding.

Emergency Work: Response Related (Categories A and B)

Category A: Debris Removal

Clearance of trees and woody debris; certain building wreckage; damaged/destroyed building contents; sand, mud, silt, and gravel; and other disaster-related material deposited on public and, in very limited cases, private property.

Category B: Emergency Protective Measures

Measures taken before, during and after a disaster to eliminate/reduce an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

Permanent Work: Recovery Related (Categories C – G)

Category C: Roads and Bridges

Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts lighting, and signs.

Category D: Water Control Facilities

Repair of drainage channels, pumping facilities, and some irrigation facilities. Repair of levees, dams and flood control facilities fall under Category D, but the eligibility of these facilities is restricted.

Category E: Buildings and Equipment

Repair or replacement of buildings, including their contents and systems; heavy equipment and vehicles.

Category F: Utilities

Repair of water treatment, and delivery systems; power generation facilities, and distribution facilities; sewage collection and treatment facilities; and communications.

Category G: Parks, Recreation Facilities, and Other Facilities

Repair and restoration of parks, playgrounds, pools, cemeteries, mass transit facilities, and beaches. This category also is used for any work or facility that cannot be characterized by Categories A-F.

2.3. Project Size

When FEMA obligates a project worksheet, it provides funds to a grantee to initiate work. To facilitate how FEMA processes and reimburses grantees for work, FEMA categorizes the work into two categories, “Small” and “Large” Projects, based on the total dollars provided to the project. The split between the Small and Large categories is determined by using the annual Consumer Price Index, resulting in project threshold size varying by year. For example, for disasters declared in fiscal year 2016 including DR-4263 and DR-4277, a Small Project is any eligible work, either emergency or permanent, costing up to \$121,800. Projects above this threshold are classified as Large Projects.

FEMA undertakes this categorization so that it can facilitate review, approval and funding of repair projects. In most disasters, the vast majority of work consists of Small Projects. Large Projects are not only costlier but also typically more complex to manage. When FEMA receives a request for reimbursement of a Small Project it provides the entire federal share as a single reimbursement. For Large Projects FEMA reimburses only for work completed and “interim or progress payments” can be made while work is ongoing.

2.4. FEMA Transitional Shelter Assistance (TSA) Program

FEMA’s Transitional Shelter Assistance (TSA) Program provides short-term lodging assistance for evacuees who are not able to return home for an extended or indeterminate period of time following a disaster. TSA is a cost share program with state government. TSA is a part of FEMA’s Individual Assistance Program and is the only IA program eligible for reimbursement under this Non-Federal Cost Share Match Program.

3. Determining the Non-Federal Cost Share Amount

The FEMA non-federal cost share match payment amount varies by disaster. OCD-DRU under this Program only provides reimbursement for the State cost share or local match for the portion of a project that meets HUD and CDBG-DR eligibility requirements, as described in Section 4 below. The table below shows the current match percentage by disaster and federal program. As such, the match rates below represent the maximum non-federal share that OCD-DRU may provide. OCD-DRU will review each project on a case-by-case basis. OCD-DRU may match less than the full match amount if any components are deemed ineligible. Additionally, to prevent Duplication of Benefits, matching funds from other sources (i.e. local funds or grants) are considered before OCD-DRU funding decisions are confirmed.

TABLE 1: FEDERAL PROGRAMS AND SHARE RATE ELIGIBLE UNDER THE STATE’S MATCH PROGRAM

Federal Program	Federal Agency	Federal Cost Share	State or Local Cost Share	Disasters
Public Assistance (PA)	FEMA	75%	25%	DR-4263 (March)
Public Assistance (PA)	FEMA	90%	10%	DR-4277 (August)
Transitional Shelter Assistance (TSA)	FEMA	75%	25%	DR-4263 (March)
Transitional Shelter Assistance (TSA)	FEMA	90%	10%	DR-4277 (August)

4. Eligibility

4.1. Eligible Activities

HUD allows grantees to use CDBG-DR funds to address the non-federal cost share, as noted in the authorizing Federal Register Notice, but requires that the funded project meet at least one additional HUD eligible activity and national objective. OCD-DRU, working with HUD Community Planning and Development staff, has currently defined five specific eligible activities that correspond to payments being made in the Non-Federal Cost Share Match Program.

For the Non-Federal Cost Share Match Program, projects must meet an eligible activity captured under *Section 105(a)(9) payment of the Non-Federal share required in connection with a Federal grant –in-aid program undertaken as part of activities assisted under this title*. All match projects are eligible under this activity plus the appropriate project specific activity.

4.2. Eligible Applicants

The entities determined as eligible that may receive Non-Federal Cost Share Match Program funding include the following:

- Parish and municipal governments
- State agencies and authorities
- Schools (K-12) and Universities
- Local non-profit organizations
- First responders
- Critical infrastructure facilities as defined by FEMA (wastewater and drinking facilities)

- Public Housing Authorities
- Other parish and local program applicants eligible to receive federal recovery funds, including but not limited to eligible private or public non-profit organizations

The State of Louisiana is the eligible applicant for TSA match payments.

4.3. National Objective Documentation and Records

To ensure the eligibility of all Non-Federal Match Share Program projects using CDBG-DR funds as the non-federal cost share, OCD-DRU program records must demonstrate that funded activities meet one of the national objectives required by HUD CDBG-DR. The types of records to be maintained for each CDBG-DR funded activity depend on the national objective category for which they qualify. **OCD-DRU expects state and local governments to work with OCD-DRU to make reasonable efforts to meet the low-to-moderate income benefit national objective, wherever possible.**

The national objectives most likely to be used under the Non-Federal Cost Share Match Program include:

- LMI- Area Benefit Activities
- LMI- Housing
- LMI- Limited Clientele
- Urgent Need

4.3.1. LMI Area Benefit Activities

To demonstrate the national objective for each activity, which benefits a particular service area, OCD-DRU draws upon the best available HUD-approved data. Please note: an activity that serves an area that is not primarily residential in nature shall not qualify under this national objective. In determining the service area of an activity, OCD-DRU assesses the nature, location, and accessibility of each activity, as well as the type of grantee and the information contained within the FEMA project worksheet (e.g. the type of project and the eligible FEMA program). The scale of the Non-Federal Cost Share Match Program necessitates adopting a broad-based approach using repeatable methodologies to determine the national objective. Wherever possible, OCD-DRU will leverage existing service areas, mapped by its Louisiana agency partners, and best practices developed by other HUD grantees to establish methodologies to define service areas based on the beneficiaries of recovery activities (e.g. debris removal, work on roads and bridges, schools, wastewater treatment facilities, etc.), geographic features (e.g. locations of highway, rivers, etc.) and local population characteristics (e.g. population size, income data and density). This approach enables OCD-DRU to process projects and address the needs of communities in a timely and HUD-compliant manner.

To determine if a project meets the LMI area benefit national objective, OCD-DRU defines a service area that is appropriate to the scope of the project and uses census data (or HUD defined LMI percentages) to assess if at least 51% of beneficiaries in that service area are LMI persons. Where applicable, for LMI area benefit activities, state and federal data is used to determine

whether the areas are primarily residential. Projects qualifying under this national objective must meet the requirements outlined in 24 CFR 570.483(b)(1).

OCD-DRU will determine the service area based on the description included in the PWs and by securing additional information from the grantee. OCD-DRU will consider the following when making a determination regarding the service area:

The nature of the activity:

In general, the size and the equipment associated with the activity should be taken into consideration. A small park with a limited number of slides and benches would not be expected to serve a large neighborhood. In the same way, a larger park that can accommodate a considerable number of people would not be expected to serve just the immediately adjacent properties. The same applies to improvements or assistance to an alleyway versus a small two-lane street versus an arterial four-lane street within the same neighborhood. The service area for each of these infrastructure projects will be different in size and population.

The location of the activity:

In general, the immediate area surrounding a facility or improvement is expected to be included in the service area. Additionally, when a facility is located near the boundary of a particular neighborhood, its service area could likely include portions of the adjacent neighborhood as well as the one in which it is located.

Accessibility issues:

Geographic barriers can separate and preclude persons residing in a nearby area from taking advantage of a facility or improvement. Other limits to accessibility can include access fees, language barriers, time or duration that an activity is available, access to transportation and parking, etc.

The availability of comparable activities:

Comparable activities within the service area should be taken into account so that the service area does not overlap with the service area of another comparable activity.

Boundaries for facilities and public services:

The service area for some public facilities and services are determined based on specified and established boundaries or districts. Examples of such services and facilities are police precincts, fire stations, and schools.

An area is considered to meet the test of being LMI if there is a sufficiently large percentage (51 percent) of LMI persons residing in the service area as determined by:

- The most recently available decennial Census/American Community Survey (ACS) information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau; or
- A current survey of the residents of the service area.

OCD-DRU will document area benefit using the American Community Survey (ACS) located on the HUD Exchange website (<https://www.hudexchange.info/programs/acs-low-mod-summary-data/>). HUD updates this data annually and the most current data should be used at the time of application. The transition policy for use of the Low Moderate Income Summary Data (LMISD) is further explained in CPD Notice 15-05, which supplements CPD 14-10 and CPD 14-11 and can be found at: <https://www.hudexchange.info/resource/4480/notice-cpd-15-05-transition-policy-for-low-moderate-income-summary-data/> and the documentation will include the following:

- A listing of all census tracts and block groups in the community's jurisdiction;
- The number of persons that resided in each such tract/block group at the time of the last census; and
- The percentage of such persons who were LMI (based on the CDBG definition) at that time.

No beneficiary data may be determined using a percentage of a block group.

4.3.2. LMI Housing

For projects eligible under a FEMA approved project or program that directly benefit particular residential populations, OCD-DRU will require the state or local entity to provide household income, race and ethnicity data on all residents who receive a direct benefit as a result of the Non-Federal Cost Share Match program. All assistance provided that directly benefits low-to-moderate income households shall be categorized as meeting the national objective of LMI housing. Assistance that provides a direct benefit to households earning greater than 80% of the area median income shall be categorized as meeting the national objective of urgent need.

4.3.3. LMI - Limited Clientele

For projects eligible under a FEMA approved project or program that provide assistance for an activity which benefits a limited clientele, at least 51 percent of whom are low-to-moderate income persons, the entire project or program may be categorized as meeting the national objective of LMI limited clientele. If less than 51 percent of the persons served through the eligible FEMA approved project or program are low-to-moderate income, then the program will allocate assistance provided to LMI households under LMI Limited Clientele and the program will allocate assistance provided to non-LMI households under the national objective of addressing an urgent need.

In order to qualify under this national objective, the activity must meet one of the following tests and the support documentation in the file must clearly explain and support the methodology used to demonstrate how a project meets one of the following tests:

- Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
- Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or
- Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or
- Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

4.3.4. Urgent Need

The Program will determine an Urgent Need national objective for an activity where the state or local recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. Within the Non-Federal Cost Share Program, the approved PW shall serve as certification of urgent need by the recipient.

5. CDBG-DR and Federal Cross-Cutting Requirements

The following is a summary of key cross-cutting requirements and their application to the Non-Federal Cost Share Match Program. Because of the distinct implementation process for the Non-Federal Cost Share Match Program, a number of standard OCD-DRU policies and procedures contained in the Grantee Administrative Manual are being waived or modified, particularly as related to the review of the FEMA PA projects.

Note: In regard to FEMA TSA program match, OCD-DRU staff has reviewed all TSA documentation to ensure that all payments were made in accordance with the regulations.

Alternative requirements applicable to the Non-Federal Cost Share Match Program are highlighted in italics. The alternative requirements provide flexibility in program implementation while ensuring HUD CDBG-DR requirements are met.

FEMA breaks projects into 2 categories of eligible work. Eligible work is classified as either emergency work (category A-B) or permanent work (category C-G). Emergency work responds to immediate threats to public health and safety and does not include construction. Therefore, for categories A-B Davis Bacon and Related Acts and Section 3 do not apply. However, procurement, Section 504 and Fair Housing (jurisdictions and housing authorities) are still applicable. If a project is completed prior to 4/4/2017, CDBG requirements do not apply.

For a comprehensive understanding of the CDBG-DR and federal cross-cutting requirements, please refer to the Disaster Recovery CDBG Grantee Administrative Manual, which can be located at: <http://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

While a grantee may be subject to all compliance areas, the compliance areas that have presented the most challenges to program recipients in the past and require additional attention to detail include the following:

- Citizen Participation
- Procurement Methods and Contractual Requirements
- Labor Regulations (Davis Bacon and Related Acts)
- Environmental Review
- Civil Rights Requirements
- Acquisition
- Equipment
- Records Management

OCD-DRU will provide technical assistance upon request. Failure to comply fully with the CDBG-DR and federal cross-cutting requirements may result in the project being ineligible and/or a recapture of funds.

5.1. Citizen Participation

The requirements under 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, and 24 CFR 91.115(b) with respect to citizen participation have been waived for disaster assistance associated with the Great Floods of 2016 and replaced with alternate requirements. The waiver removes the requirements for public hearings or meetings as the method for disseminating information or collecting citizen comments.

Grantees under the Non-Federal Cost Share Match Program are not required to adopt a Citizen Participation Plan as described in the Grantee Administration Manual.

5.2. Procurement

Grantees are required to adopt written procurement procedures as required in 2 CFR 200.318 - 326. All procurement transactions funded in whole or in part with CDBG-DR funds, regardless of dollar amount, must be conducted to provide “maximum open and free competition”. 2 CFR 200.318(i) requires that grantees and subgrantees to maintain records sufficient to detail the significant history of a procurement. These records must include, but are not limited to, the following:

1. Rationale for the method of procurement;
2. Selection of contract type;
3. Contractor selection or rejection; and,

4. The basis for the contract price.

Two critical areas of compliance under 2 CFR Part 200 to which grantees should adhere:

1. Per 2 CFR Part 200.323, the Grantee must make independent estimates before receiving bids or proposals.
2. The contract provisions for non-federal entity contracts listed in Appendix II to 2 CFR Part 200 must be incorporated into all CDBG-DR funded contracts. These provisions are included in the Grantee Administrative Manual as Exhibit 6-2 and Exhibit 6-16.

Grantees shall maintain a contract administration system to monitor contractor's performance against the terms, conditions, and specifications of their contracts or purchase orders.

5.3. Procurement by Noncompetitive Proposals (2 CFR 200.320(f))

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Grantees must provide proof of cost reasonableness to GOHSEP along with all procurement documentation in order to use noncompetitive proposals to determine eligibility of costs.

1. If only one (1) quote, bid, proposal or qualification statement is received, Grantees must provide proof of cost reasonableness to GOHSEP along with procurement documents to determine eligibility of costs.
2. Federal regulations (2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) establish requirements for non-state grantees concerning the exigency or emergency exception that permits the use of noncompetitive procurements, frequently referred to as “sole-source contracting.” Emergency work funded under Debris Removal (Category A) and Emergency Protective Measures (Category B) is most often associated with a public exigency or emergency. However, there may be instances where exigent or emergency circumstances necessitate the use of noncompetitive procurements for permanent work (Categories C-G).

FEMA reviews non-state grantee's justification that exigent or emergency circumstances warrant an exception to competitive procurement. If the agency determines that exigent or emergency circumstances did not exist or did not preclude a non-state grantee from adhering to competitive procurement requirements, FEMA may disallow all or part of the non-state grantee's cost related to the contract. OCD-DRU will accept FEMA's review and a cost analysis to ensure cost reasonableness in the event of exigency or emergency.

Grantees under the Non-Federal Cost Share Match Program are not required to obtain OCD-DRU approval prior to using the Noncompetitive Procurement Method as required in the Grantee Administrative Manual.

5.4. Debarment and Suspension

A contract award must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM). SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible. In accordance with 2 CFR Part 200.213, Grantees must ensure that all contractors receiving CDBG-DR funds are eligible to participate in the Non-Federal Cost Share Match Program and have evidence on no debarment check through SAM.

Grantees under the Non-Federal Cost Share Match Program are not required to complete Exhibit 6-12, Verification of Contractor Eligibility Form or Exhibit 6-13, Verification of Professional Services Eligibility Form.

GOHSEP will re-verify contractor eligibility prior to payment of match funds. Costs incurred by ineligible parties will not be eligible for reimbursement.

5.5. Contracting with Small and Minority Businesses, Women Business Enterprises, and Labor Surplus Area Forms

As required in 2 CFR Part 200.321, Grantees must take affirmative steps to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the same affirmative steps listed above.

5.6. Labor Standards

As required by Section 110 of the Housing and Community Development Act, and as outlined in HUD Handbook 1344.1 Rev 2, Federal Labor Standards Requirements in HUD Programs, Grantees are responsible for ensuring compliance with Davis-Bacon (DBA) requirements as well as the Copeland Anti-Kickback Act, the Contract Work Hours and Safety Standards Act (CWHSSA) and the Fair Labor Standards Act (FLSA) collectively referred to as Davis Bacon and Related Acts (DBRA). In general, DBRA requires payment of prevailing wages to laborers and mechanics on contracts, financed in whole or in part with CDBG-DR funds, that involve

construction work valued in excess of \$2,000.

1. If construction was completed prior to April 4, 2017 or if the construction contract had been officially accepted by the Grantee as substantially complete by April 4, 2017, DBRA does not apply. Regarding construction projects, OCD-DRU has defined the completion date as the date the project was officially accepted as substantial complete. The Grantee will need to supply proof of the Substantial Completion Date.
2. If construction was ongoing after April 4, 2017 and is completed or is ongoing as of April 4, 2017 and still underway DBRA does apply. Contract specifications must include the applicable Davis Bacon wage determination in effect as of April 4, 2017. The grantee has the option to include the wage determination in effect as of April 4, 2017, retroactively. Both parties to the construction contract (such as the grantee and the construction contractor) have to agree to amend the contract specification. However, under this scenario as the advertisement for bids has already occurred, there can be no corrective action to the advertisement to include the CDBG-DR required “Attention of Bidders” paragraph.
3. If construction began after April 4, 2017, compliance with DBRA will apply. Compliance with all HUD CDBG-DR requirements will apply. Advertising for bids, bid solicitation and contracts are to incorporate Davis Bacon Labor Standards and wage determinations, “Attention of Bidders” paragraph and CDBG-DR Compliance Provisions for Construction Contracts.

Note: If multiple separate construction projects are covered by one PW, the April 4, 2017 threshold is applied on a separate construction project contract-by-contract basis. (For example, if five separate schools are all included in one PW, but each school is bid out separately and has separate construction contracts, the threshold could be applied to only one of the school construction projects and not all five of the construction contracts.)

5.7. Elevation of Nonresidential Structures

As outlined in the HUD Federal Register notice (effective November 28, 2016), nonresidential structures must be elevated or flood proofed, in accordance with FEMA flood proofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 1 percent annual floodplain. All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 0.2 percent annual (or 500- year) floodplain must be elevated or flood proofed (in accordance with the FEMA standards) to the higher of the 0.2 percent annual floodplain flood elevation or three feet above the 1 percent annual floodplain. If the 0.2 percent annual floodplain or elevation is unavailable for Critical Actions, and the structure is in the 1 percent annual floodplain, then the structure must be elevated or flood proofed at least three feet above the 1 percent annual floodplain level. Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, will be followed. Grantees in this situation will be required to prove that they have elevated to the appropriate elevation height by providing an elevation certificate.

5.8. Environmental Review

Every project undertaken with CDBG-DR funds, and all activities related to that project, is subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as to the HUD environmental review regulations at 24 CFR Part 58. The primary purpose of this Act is to protect and enhance the quality of our natural environment. The HUD environmental review process must be completed before any funds may be committed for program eligible activities.

No work may start on a proposed project before the environmental review process is completed, even if that work is being done using non-HUD funds. In other words, environmental clearance must be obtained for each project prior to the firm commitment of federal or non-federal funds to any expenses or contracts related to a project. A violation of this requirement may jeopardize federal funding to this project and disallow all costs that were incurred before the completion of the Environmental Review.

Grantees under the Non-Federal Cost Share Match Program may adopt the FEMA Environmental Review and should state such in the Request for Release of Funds Certification, form 7015.15 for construction projects.

5.9. Civil Rights Requirements

5.9.1. Fair Housing

As a recipient of CDBG-DR funds, Grantees must administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act (42 U.S.C.3608(e)(5));(E.O.12259(1-202));(24 CFR 570.601). Grantees must also agree to develop and maintain records of the efforts taken to assure fair housing.

Grantees (Jurisdictions and Public Housing Agencies only) under the Non-Federal Cost Share Match Program are required to conduct at least one Fair Housing activity during the life of the project.

Exhibit 8-2 of the Grantee Administrative Manual offers suggestions of activities, which can be undertaken which will be determined to “further Fair Housing” and includes a sample Utility Bill Stuffer and a Fair Housing flyer.

If construction was completed prior to April 4, 2017 or if the construction contract had been officially accepted by the Grantee as substantially complete by April 4, 2017, the Fair Housing requirement described above does not apply.

5.9.2. Section 504

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 754) requires that local grantees shall operate each program or activity receiving Federal financial assistance so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with handicaps.

If construction was completed prior to April 4, 2017 or if the construction contract had been officially accepted by the Grantee as substantially complete by April 4, 2017, the Section 504

requirements described below do not apply.

If Section 504 applies, the Grantee shall submit an assurance to the OCD-DRU that the CDBG-DR Program will be operated in compliance with Section 504 requirements (24 CFR 8.50(a)).

In addition, if the Grantee employs fifteen or more persons:

1. The Grantee must designate a responsible employee to coordinate the Grantee's efforts to comply with Section 504;
2. The Grantee must adopt grievance procedures that incorporate appropriate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited by this part. Such procedures need not be established with respect to complaints from grantees for employment or from grantees for admission to housing covered by this part.
3. The Grantee shall publish a statement of compliance to notify participants, beneficiaries, grantees, and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the grantee that it does not discriminate on the basis of handicap in violation of this part. The notification shall state, where appropriate, that the grantee does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities. The notification shall also include an identification of the responsible employee designated above.
4. A Grantee shall make the initial notification required by this paragraph within 90 days of receipt of the executed contract with the OCD-DRU. Methods of initial and continuing notification may include the posting of notices, publication in newspapers and magazines, placement of notices in recipients' publications, and distribution of memoranda or other written communications.

Grantees subject to Section 504 requirements under the Non-Federal Cost Share Match Program are not required to conduct a Section 504 Self-Evaluation, prepare a Section 504 Transition Plan or to complete Exhibit 8-4, Summary of Actions to Achieve Compliance with Section 504, as described in the Grantee Administrative Manual.

5.9.3. Section 3

Compliance requirements of Section 3 of the HUD Act of 1968 are triggered when a Grantee receives in excess of \$200,000 of HUD funds for the construction, reconstruction, conversion or rehabilitation of housing, other public construction that includes buildings or improvements assisted with CDBG-DR fund. If Section 3 of the HUD Act of 1968 is triggered for the Grantee, then contractors/subcontractors whose contracts are paid in full or in part with CDBG-DR funds and exceed \$100,000 must also comply with Section 3 of the HUD Act of 1968.

If construction was completed prior to April 4, 2017 or if the construction contract had been officially accepted by the Grantee as substantially complete by April 4, 2017, the Section 3 requirements described below do not apply.

If Section 3 of the HUD Act of 1968 is triggered, the Grantee shall ensure that:

1. The “Section 3 Clause” is included in all Section 3 covered contracts;
2. Section 3 covered contractors and subcontractors submit a Section 3 Plan.
3. Section 3 covered contractors and subcontractors submit Exhibit 8-6, Certification of Bidder Regarding Section 3, included in the Grantee Administrative Manual.

In addition, the Grantee will have to report to OCD-DRU information on Section 3 new hires and contracts awarded to Section 3 business concerns. This report will be due at the time of close-out.

5.10. Acquisition

In executing CDBG-DR projects, Grantees may need to acquire real property to complete specific activities. Prior to acquiring real property or attempting to undertake a relocation project, a determination must be made as to whether or not the requirements of the Uniform Relocation Assistance (URA) and Real Property Acquisition Act of 1970 (as amended in 1986) apply. Requirements for acquisition and relocation activities are described in the Department of Housing and Urban Development's Handbook 1378: Real Estate Acquisition and Relocation Policy and Guidance. Additionally, HUD has approved waivers that modify the URA and HCDA Section 104(d) requirements.

Real property includes:

1. Permanent and temporary easements necessary for the project.
2. Fee simple title/a parcel of land.
3. Long-term leases of 15 years or more.
4. Rights of way.

If CDBG-DR financial assistance is used in any part of the project, the URA governs the acquisition of real property for the project and any resulting displacement, even if local or private funds are used to pay the acquisition costs. Grantees should contact OCD-DRU for technical assistance if the project involves the acquisition of real property.

5.11. Equipment

The purchase of equipment that is not an integral structural fixture with CDBG-DR funds is generally ineligible unless eligible as part of an administration or public service activity. If equipment is purchased, the equipment must be used by the Grantee in the program or project for which it was acquired, and as long as needed, whether or not the program or project continues to be supported by federal funds. Grantees purchasing equipment with CDBG-DR funds must implement property management controls. Section 11 of the Grantee Administrative Manual provides additional explanation and a template for Property Control Tracking as Exhibit 11-1. Grantees are encouraged to contact OCD-DRU for technical assistance prior to the purchase of equipment.

5.12. Record Keeping

The Grantee must maintain all program and project-related documentation such as financial records, supporting documents, and statistical records. These records must be retained for a period

of five years after closeout of the State's Disaster Recovery grant by HUD.

6. State Agency Collaboration

OCD-DRU will work internally with the state annual allocation CDBG staff as well as with disaster recovery CDBG staff, with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), and other state agencies to identify the most efficient methodology for administering the Non-Federal Cost Share Match Program. State agencies will share information wherever possible to minimize collecting duplicative documentation from state agency and local FEMA PA recipients. However, if requested, eligible grantees under the Non-Federal Cost Share Match Program will provide OCD-DRU with all requisite support documentation and application information in order for OCD-DRU to ensure the files contained within the program's system of record are complete and accurate. The interchange between OCD-DRU and GOHSEP is captured in Exhibits 2 through 7.

7. Project Order, Application and Review Processes

7.1. Project Review: General Priority Process

The state, through its Action Plan process, has initially allocated \$105 million to the Non-Federal Cost Share Match Program. While the state fully anticipates to have funding to adequately provide assistance for all eligible match needs based on FEMA's allowable costs, the final costs are not yet determined and may exceed the state's allocation. As noted in its Action Plan, the state reserves the right to make determinations if a proration or other methodology is mandated based on availability of funds.

As described under Section 7.2, OCD-DRU will generally review and process applications that have been closed out and certified for completion by GOHSEP. Exceptions to this process may be made on a case-by-case basis, at OCD-DRU's discretion, as the need is determined. This may impact the timing in which a grantee receives funds from OCD-DRU. For construction-related projects that were either underway or not yet started as of April 4, 2017, grantees should contact OCD-DRU for technical assistance. OCD-DRU will work with grantees to help ensure their projects are designed in a manner that complies with CDBG-DR rules and regulations.

7.2. Application Submission Process

Each eligible grantee for the Non-Federal Cost Share Match program will be issued an invitation to apply or opt-in to the program. The invitation to apply was issued to eligible grantees on September 6, 2017. Grantees interested in participating in the Non-Federal Cost Share Match program were given until November 15, 2017 to submit a Program Participation Form. This deadline was extended until December 15, 2017. Upon receipt of the Program Participation Form OCD-DRU staff contacts the Grantee to obtain additional information about the project and the grantee's capacity to carry out a project in compliance with CDBG-DR requirements. OCD-DRU completes a Project Data Sheet for each project.

The date of this acceptance becomes the application submission date and triggers the project CDBG-DR eligibility review. OCD-DRU staff completes the CDBG-DR Project Data Sheet to

capture all of the HUD specific information (national objective, eligible activity, target area, beneficiary information, etc.) for each project. Any additional information that may be required and is not available in the GOHSEP file on LouisianaPA.com is collected from the grantee by the OCD-DRU infrastructure staff. to complete the application for the CDBG-DR funding. It is understood that entities may not know the final dollar amount of their project at the time of submissions, since many of the projects are not yet obligated by FEMA or may require versioning to update the budget.

Grantees in the Non Federal Cost Share Match Program are given instructions to include all projects in the participation form with a submission deadline of December 15, 2017. However, there may be times due to extenuating circumstances that an exception is warranted. OCD-DRU accepts Program Participation Form edits to remove or update PWs as needed. New Program Participation Form submissions requires a written request to be submitted to OCD-DRU.

A letter or email requesting exception to policy to submit a new Participation form must describe the circumstances that justify the request for exception. Grantees may submit the request to OCD-DRU for participation consideration on an exception basis in the following cases:

- Entity did not submit a participation form prior to the deadline: and,
- Entity did not have any eligible PWs prior to the deadline.

No request will be considered if rules that are based in regulations or state law will be violated. OCD-DRU will determine whether the Grantee has made the case that the need for an exception is critical to the community's recovery. A copy of the Exceptions Request Form is attached as Exhibit 1.

7.3. Project Review Process: Eligibility Determination

The PA program is managed by FEMA and administered by GOHSEP. The basis for eligibility for the PA program is Applicant, Facility, Work, and Cost. The cost of eligible work is typically a shared cost. The split is 75% for the March Flooding Event and 90% for the August Flooding Event for the Federal Share. The Local Match is the difference 25% and 10% respectively. Under certain circumstances, the Federal Share can potentially be up to 100%.

FEMA is responsible for managing the PA Program, approving grants, and providing technical assistance to GOHSEP and applicants.

GOHSEP educates potential applicants, works with FEMA to manage the program, and is responsible for implementing and monitoring the grants awarded under the PA program.

Local Officials are responsible for identifying damage, providing sufficient data for FEMA to develop an accurate scope and cost estimate for doing the work, approving grants, and managing projects funded under the PA program.

For more information on PA Eligibility, see the FEMA 322 Public Assistance Guide at <https://www.fema.gov>.

For the purpose of PA Match reimbursement eligibility, the project worksheet is already processed through the FEMA system of approval and information has been input into GOHSEP's LouisianaPA system for review. In order to be deemed eligible for the Non-Federal Cost Share Match Program the project has to be obligated in LouisianaPA. Moreover, to receive reimbursement payment the project has to be closed in LouisianaPA and certified by GOHSEP.

OCD-DRU program staff may request additional information from FEMA PA recipients if the payment and support documentation provided by GOHSEP and/or supporting documentation that is available from grantees is determined to be insufficient.

If the information provided by GOHSEP and/or the FEMA PA recipient is insufficient or does not demonstrate full eligibility or how the project will meet a national objective, then the project may not be eligible for the Non-Federal Cost Share Match Program.

7.4. Area Benefit Data

For projects that provide an area benefit, OCD-DRU will determine the service area for the project as described in Section 4.3.1. If the service area is coterminous with a parish, incorporated city or census designated place, OCD-DRU will use the HUD Low and Moderate Income Summary Data (LMISD) Local Government Summaries by State data set (Summary level 160) available at <https://www.hudexchange.info/programs/acs-low-mod-summary-data/> to extract the corresponding low and moderate income population data

If the service area is not coterminous with a parish, incorporated city or census designated place, OCD-DRU will perform a best match of the service area to census block groups using American FactFinder reference maps provided by the U.S. Census Bureau at <http://factfinder.census.gov>. Once the block groups have been identified, OCD-DRU will extract the corresponding low and moderate income population data from the LMISD All Block Groups by State data set available at <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>. As described in CPD Notice 14-10, the entirety of the data for all block groups which the service area both completely encloses and partially overlaps must be used.

Additional beneficiary data, as required, will be obtained by using American FactFinder datasets.

8. Non-Federal Cost Share Match Award

CDBG-DR funds are limited to the Non-Federal Cost Share match for FEMA PA eligible project worksheets (PWs) amount, which may include mitigation measures. CDBG-DR funds may not be used to expand a project beyond what is approved by FEMA in a PW.

OCD-DRU will work with the FEMA recipients to identify eligible expenses under the Non-Federal Cost Share Match Program. Furthermore, OCD-DRU will work with the recipients to make the payment and project processes as efficient as possible.

After FEMA closeout of a project, GOHSEP staff will prepare and submit to OCD-DRU a certification of their review of all supporting project documents including procurement, invoices,

timesheets, and logs so that OCD-DRU staff are not required to review the documents that are certified by GOHSEP. This certification will be included in the files and with any requests for reimbursement for the CDBG-DR funds.

Unless otherwise allowed or waived by HUD, all Small PWs will require review by OCD-DRU of all documents and no certification will be provided by GOHSEP. These Small PWs and their relevant review will identify those documents that must be obtained from the grantee if not submitted to GOHSEP. GOHSEP does not require submission of support documentation, but OCD-DRU must have the supporting documents in order to approve the project and provide match funds.

8.1. Match Award Cost Identification

Total eligible project costs will be computed and the applicable match (10% for DR-4277 or 25% for DR-4263) will be calculated. If possible, CDBG-DR match funds will be applied to a single contract. The goals are to have to verify CDBG-DR procurement compliance for only one contract. A contract will be selected for the match based on the following factors:

1. Construction contracts publicly advertised and awarded under Louisiana Public Bid Law that are not subject to Davis-Bacon or Section 3.
2. Construction contracts awarded under Small Purchase Procedures that are not subject to Davis-Bacon or Section 3.
3. If Davis-Bacon and/or Section 3 are triggered for the construction contract, attempt to apply the match to a professional services contract if the match is less than the total professional services contract amount.
4. If Davis-Bacon and/or Section 3 are triggered for the construction contract and the match is greater than the amount of a professional services contract, apply the match to the construction contract. This option triggers DBRA compliance review.
5. Apply the match to grantee Force Account costs.

Note: FEMA Direct Administrative Costs (DAC) are direct, administrative, or other expenses the Grantee incurs in administering and managing PA awards that are directly chargeable to a specific project. ***DAC are eligible for reimbursement in the Non-Federal Cost Share Match Program.***

8.2. Match Award Cost Eligibility

The PA Grant Program is managed by FEMA and administered within the State of Louisiana by GOHSEP. The initial eligibility for the Non-Federal Cost Share Match Program is an approved PW in FEMA's PA Program. OCD-DRU will accept GOHSEP's procurement, environmental, property management, financial management and allowable cost review of large projects to reduce duplication of effort since FEMA and HUD both follow 24 CFR 200.

OCD-DRU will not request documentation from grantees that has already been uploaded into the GOHSEP's system of record. However, OCD-DRU may collect and review additional documentation as needed to prove adherence to applicable CDBG requirements.

Grantees under the Non-Federal Cost Share Match Program are not required to comply with the

following requirements included in Section 6, Procurement Methods and Contractual Requirements, of the Grantee Administrative Manual.

1. It is recommended but not required that Grantees submit final plans, specifications and cost estimate to OCD-DRU for review
2. Prior approval from OCD-DRU to advertise for bids is not required
3. A copy of the publicized bid advertisement does not have to be submitted to OCD-DRU.
4. Exhibit 6-14, Notice of Contract Award, does not have to be submitted to OCD-DRU.
5. A Certified and Itemized Bid Tabulation does not have to be submitted to OCD-DRU.
6. Exhibit 6-12, Verification of Contractor Eligibility, is not required.
7. Contacting the Louisiana Insurance Commissioner's Office and completing Exhibit 6-11, Bonding Verification, is not required.
8. Complete Exhibit 6-13, Verification of Professional Services Eligibility.

8.3. Award Agreement

An agreement will be executed with a Grantee. Amendments will be executed as necessary for additional projects or change in project cost or match amounts. The following forms are necessary before OCD-DRU will proceed to establish the Grantee's Disaster Recovery CDBG account in OCD-DRU accounting system. No funds can be drawn until this account is established. OCD-DRU requires the following financial documents to be completed and returned by the Grantee:

1. Request for Vendor Information
2. IRS Form W-9 (if applicable)
3. OCD-DRU Authorized Signature Form
4. Electronic Funds Transfer Enrollment Form (if applicable)
5. HUD Form 2880
6. Statement of Assurances
7. Voided permanent check OR a signed letterhead letter from the bank verifying ownership and account number (if applicable)
8. Insurance Certification Statement certifying compliance with the insurance requirements set forth in the Non-Federal Cost Share Agreement (workers compensation and crime/fidelity bond coverage). The Grantee will also be required to provide proof of coverage upon request
9. DUNS Registration.

Grantees under the Non-Federal Cost Share Match Program are not required to complete the OCD-DRU Financial Management Questionnaire.

8.4. Requesting Payment

OCD-DRU may make the Non-Federal Match payment in one of the following methods:

- Direct payment to local entities;
- Direct payment to state agencies;
- Payment through state agencies as a pass-through for providing a payment to local entities

The Non-Federal Cost Share Match amount will be paid as a single lump sum per project after the following actions:

1. FEMA closeout of the project
2. GOHSEP certification of CDBG-DR compliance
3. GOHSEP (working with the LLA) review of program documentation

OCD-DRU will review all monitoring and audits to ensure compliance prior to closeout.

OCD-DRU will provide instruction and technical assistance to grantees regarding the process for requesting payment.

9. Duplication of Benefits Review

OCD-DRU makes application and funding determinations based on data obtained from multiple sources including project specific information contained in GOHSEP's LouisianaPa.com system of record, a database that contains PA-related data obtained by FEMA, financial payment data that is maintained by GOHSEP, state vouchers showing payment of the Non-Federal Cost Share, and others. Financial data includes payments the grantees request from OCD-DRU for the non-federal share amount, which OCD-DRU reimburses. Financial payment data is maintained by OCD-DRU and reflects the most recent current payment amounts, as of the date of project completion. OCD-DRU will make a final funding determination once the project is complete and the final FEMA payment has been made on the eligible PW. OCD-DRU may consider exceptions to this process on a case-by-case basis. Funding from alternate sources received prior to the disbursement of CDBG-DR funds should be addressed as outlined in the FEMA Public Assistance Nonfederal Share Match Program Agreement. If additional funds are received from duplicative resources after the disbursement of CDBG-DR funds, FEMA PA recipients are required to notify OCD-DRU. OCD-DRU will conduct an additional DOB review and will require repayment of any funds found to be duplicative. Please note, FEMA payments for Donated Resources are considered a duplication of benefits. Please see Section 11 for additional information.

10. Environmental Review for Non-Federal Cost Share Match Payments – Special Provisions Concerning Use of FEMA's process

Per HUD requirements, before CDBG-DR program funds are expended, an environmental review must be completed. However, HUD grantees are permitted to adopt FEMA's (or another Federal agency's) review if that Federal agency has previously performed an environmental review for assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In those cases, the work performed by FEMA and by HUD must be exactly the same work. The recipient of HUD funding does not need to supplement FEMA's environmental review to comply with HUD regulations, and all environmental obligations are considered complete when the recipient adopts the agency's review.

When adopting another Federal agency's review, the grantee must obtain a completed copy of that Federal agency's review and keep a copy in its records. The grantee must notify the State CDBG-DR specialist that another Federal agency review is being used. The notification must be stated on a Request for Release of Funds (RROF) Form 7015.15. The RROF must indicate that another

Federal agency's review is being adopted and include the name of the other Federal agency, the name of the project and the date the project's review was prepared by the other Federal agency.

If a project has any scope changes beyond what was approved in the project worksheet, an additional HUD environmental must be completed. If additional work is anticipated, please seek guidance from a CDBG-DR specialist for assistance immediately. Do not execute any change orders or additional contracts that include work not listed in the approved and obligated project worksheet if you intend to request CDBG-DR funds as matching funds.

11. Donated Resources

As per the FEMA Public Assistance Program and Policy Guide (PAPPG), individuals and organizations often donate resources (equipment, supplies, materials, or labor) to assist with response activities. The Grantee may use the value of donated resources to offset the non-Federal share of its eligible Emergency Work projects and Direct Federal Assistance.

FEMA prepares the donated resource project separate from the Emergency Work projects for the Grantees incurred costs. FEMA does not obligate the donated resource project until after it obligates all of the Grantee's Emergency Work projects. The value of the donated resources paid by FEMA will be deducted from the match amount on any Cat A and B PWs. Any remaining eligible match percentage may be eligible for funding through the CDBG-DR Non-Federal Match Program.

12. Monitoring

Monitoring and evaluation of program performance and compliance by recipients of CDBG-DR funds is a requirement of the Department of Housing and Urban Development (HUD). Monitoring program, statutory and/or regulatory requirements is the responsibility of OCD-DRU. Grantees are responsible for carrying out their programs to meet these compliance requirements, including monitoring their project administrators, contractors and subcontractors.

Grantees under the Non-Federal Cost Share Match Program are not required to develop a Grantee Monitoring Plan as required in Section 12 of the Grantee Administrative Manual.

13. Closeout

Program or activity ("project") closeout is the process by which the OCD-DRU determines that all costs paid with CDBG-DR funds have been incurred, the work has been completed and all responsibilities of the Grantee have been completed in accordance with the terms and conditions of the grant agreement and applicable laws and regulations.

Grantees are responsible for timely submission of closeout documents. A program/activity cannot be closed out until all funds have been expended, all activities associated with the program/activity have been completed, and the National Objective has been met.

14. Source of Document

This document is the result of collaboration between OCD-DRU staff, OCD-DRU CDBG Program Consultant - Pan American Engineers, LLC, and GOHSEP staff. The document is designed to describe program policy and to provide general guidance for the Non-Federal Cost Share Match program. Grantees should review all applicable Federal regulations, disaster specific Federal Register Notices and the OCD-DRU Administrative Manual for a detailed discussion of CDBG-DR requirements.

15. Process Flow Charts

Various flow charts have been developed to depict the process by which GOHSEP, LLA and OCD-DRU will collaborate to provide review, oversight and technical assistance for the Program. These Various flow charts have been developed to depict the process by which GOHSEP, LLA and OCD-DRU will collaborate to provide review, oversight and technical assistance for the Program. These flow charts are included as Exhibits 1 through 8.

Exhibit 1- Participation Form

Restore LA Non-Federal Share Match - Program Participation Form

Date: 3/14/19

Note: All Fields are required and must be completed before submitting

Grantee Enter Org. name (if not listed above)	<input type="text"/>	Contact Information	Contact Person <input type="text"/>
			Title/Position <input type="text"/>
Classification	<input type="text"/>		Email <input type="text"/>
			Phone <input type="text"/>

List of PWs or Proposed PWs Please list all projects, with or without PW#'s and indicate which projects you are opting-in to the Match Program.
 If you have **more than 20** projects, please complete and submit additional forms as needed.

	Flood Event	PW #	Project Title	Submission Status (FEMA)	Percent Complete	Total Estimated Cost (\$)	CDBG Opt In	Category (A-G)	CDBG Requirement (Construction Status)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

Submit

By clicking submit and emailing this document to DRU.Match.Program@la.gov, you confirm that you have read the program policy guide, reviewed the Community Development Block Grant - Disaster Recovery Grantee Administrative Manual and will enter into an agreement with the State of Louisiana to comply with all CDBG-DR regulations and program requirements to be eligible to receive matching funds from the Non-Federal Cost Share Match Program. You further confirm you have been given the authority to approve or decline participation.

Exhibit 2- Exceptions Request Form



Non Federal Cost Share Match Program *Exceptions Request Form*

DATE:
ENTITY/GRANTEE NAME:
CONTACT NAME:
CONTACT PHONE:
CONTACT EMAIL:

**PROPOSED
EXCEPTION:**

☐ Entity did not submit a participation form

☐ Other _____

Justification for Exception:

Exception Committee Comments:

Approved ☐ Not Approved ☐

By: _____ Date: _____

Exhibit 3- Overall Process Flow Chart

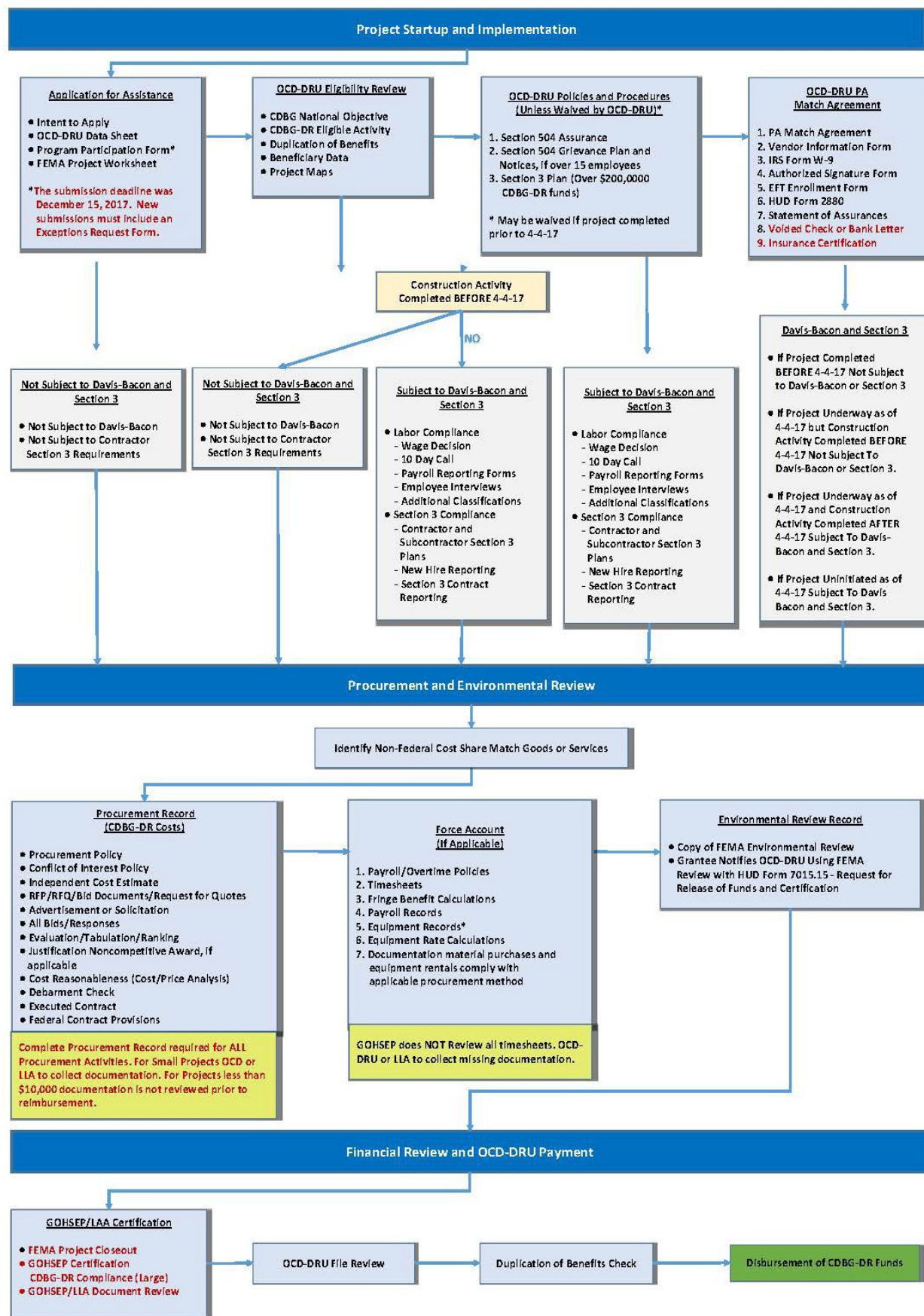


Exhibit 4 – General Overview

RESTORE LOUISIANA
NON-FEDERAL COST SHARE MATCH PROGRAM
OFFICE OF COMMUNITY DEVELOPMENT - DISASTER RECOVERY UNIT

GENERAL CDBG-DR PROCESS OVERVIEW

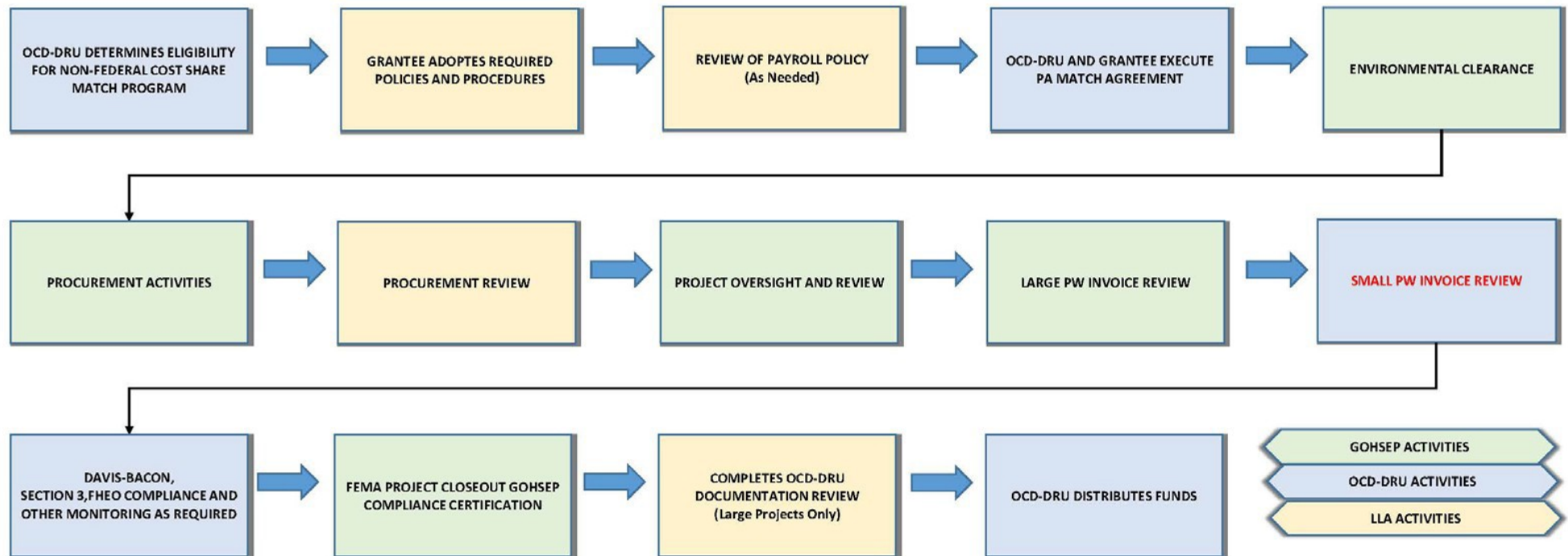


Exhibit 5- Project Approval and Grantee Setup Process

RESTORE LOUISIANA NON-FEDERAL COST SHARE MATCH PROGRAM OFFICE OF COMMUNITY DEVELOPMENT - DISASTER RECOVERY UNIT

STEP 1 - PROJECT APPROVAL AND GRANTEE SETUP

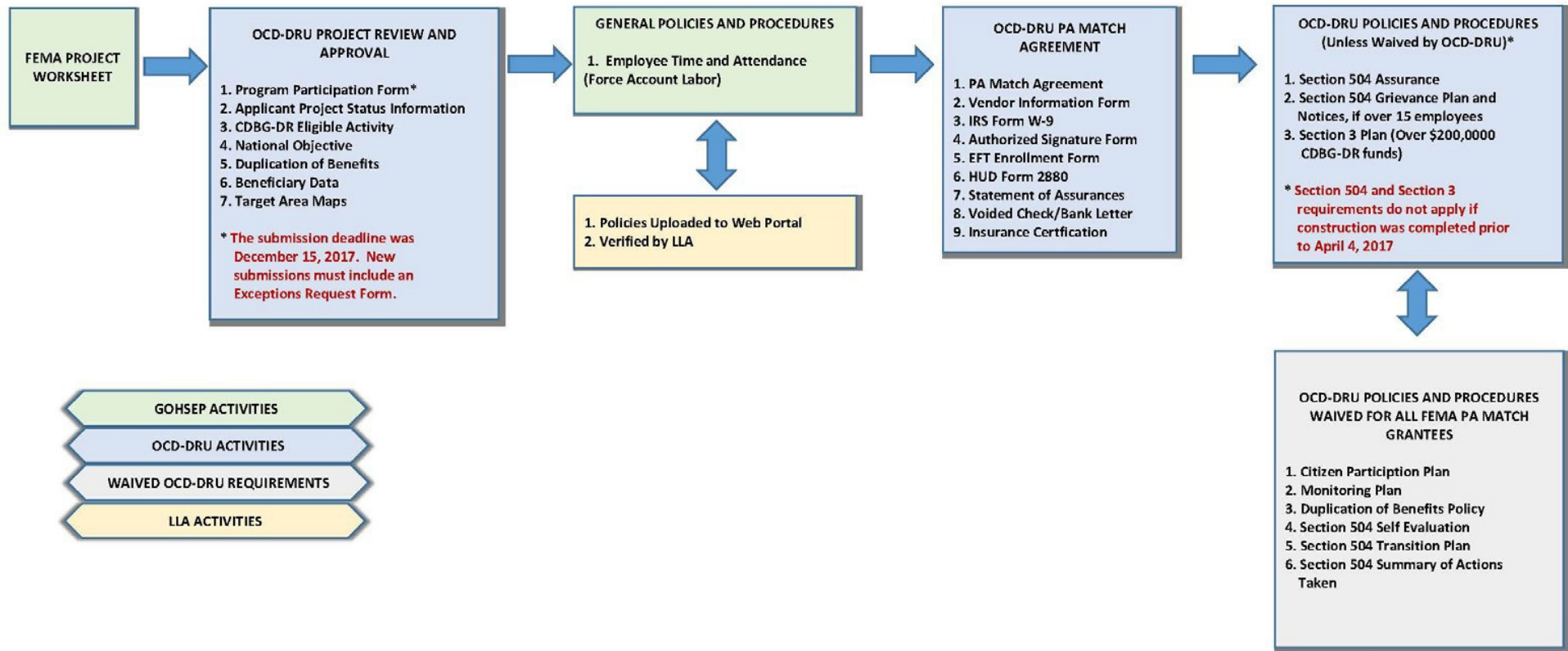
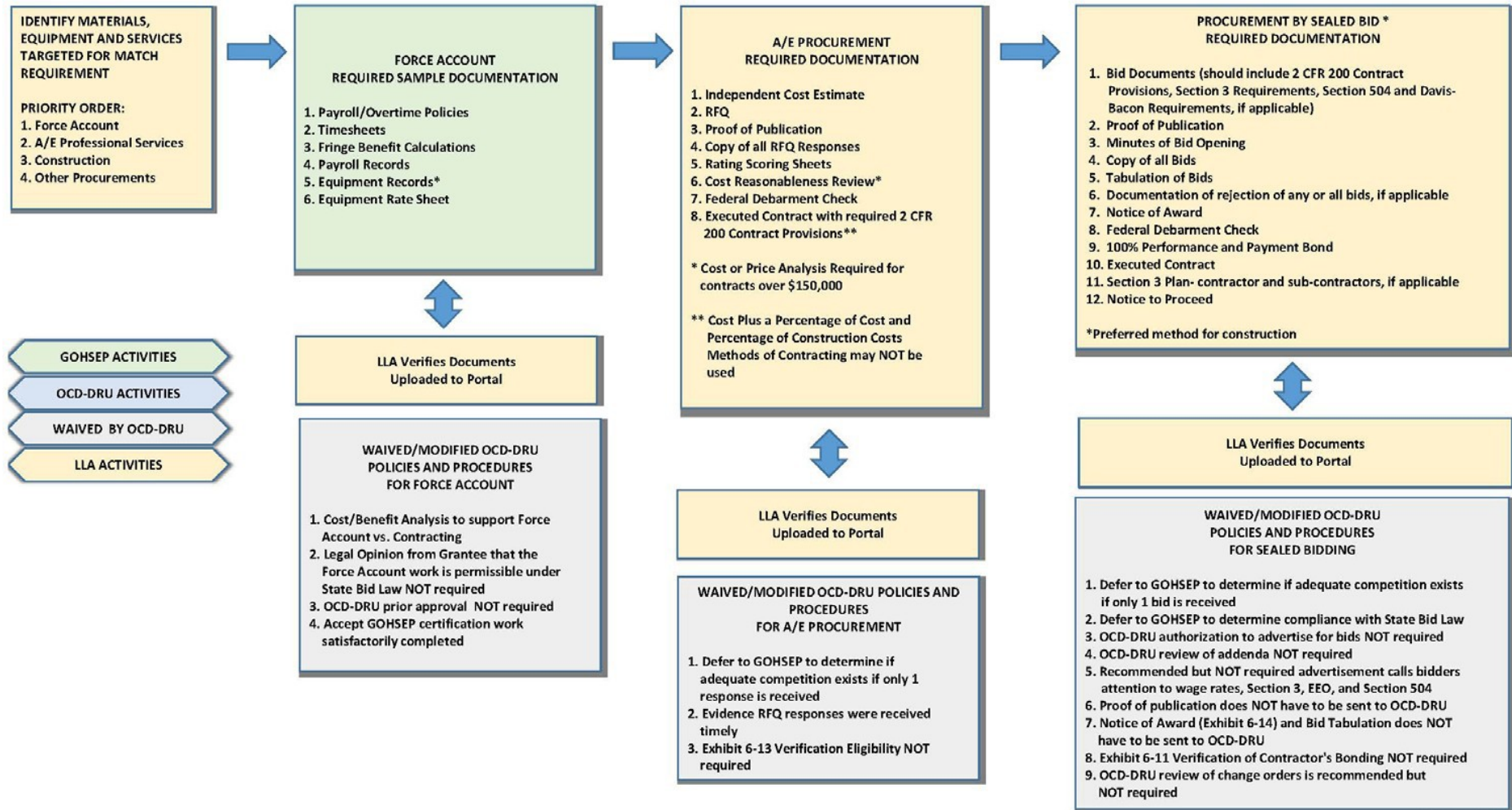


Exhibit 6- Project Implementation Process- Part 1

RESTORE LOUISIANA
NON-FEDERAL COST SHARE MATCH PROGRAM
OFFICE OF COMMUNITY DEVELOPMENT - DISASTER RECOVERY UNIT

STEP 2 - PROJECT IMPLEMENTATION - FORCE ACCOUNT, A/E PROCUREMENT AND PROCUREMENT BY SEALED-BID



PAE Ver. 3 9-25-16

Exhibit 7- Project Implementation Process- Part 2

RESTORE LOUISIANA NON-FEDERAL COST SHARE MATCH PROGRAM OFFICE OF COMMUNITY DEVELOPMENT - DISASTER RECOVERY UNIT

STEP 2 - PROJECT IMPLEMENTATION - MICRO PURCHASES, SMALL PURCHASES AND NON-COMPETITIVE NEGOTIATIONS

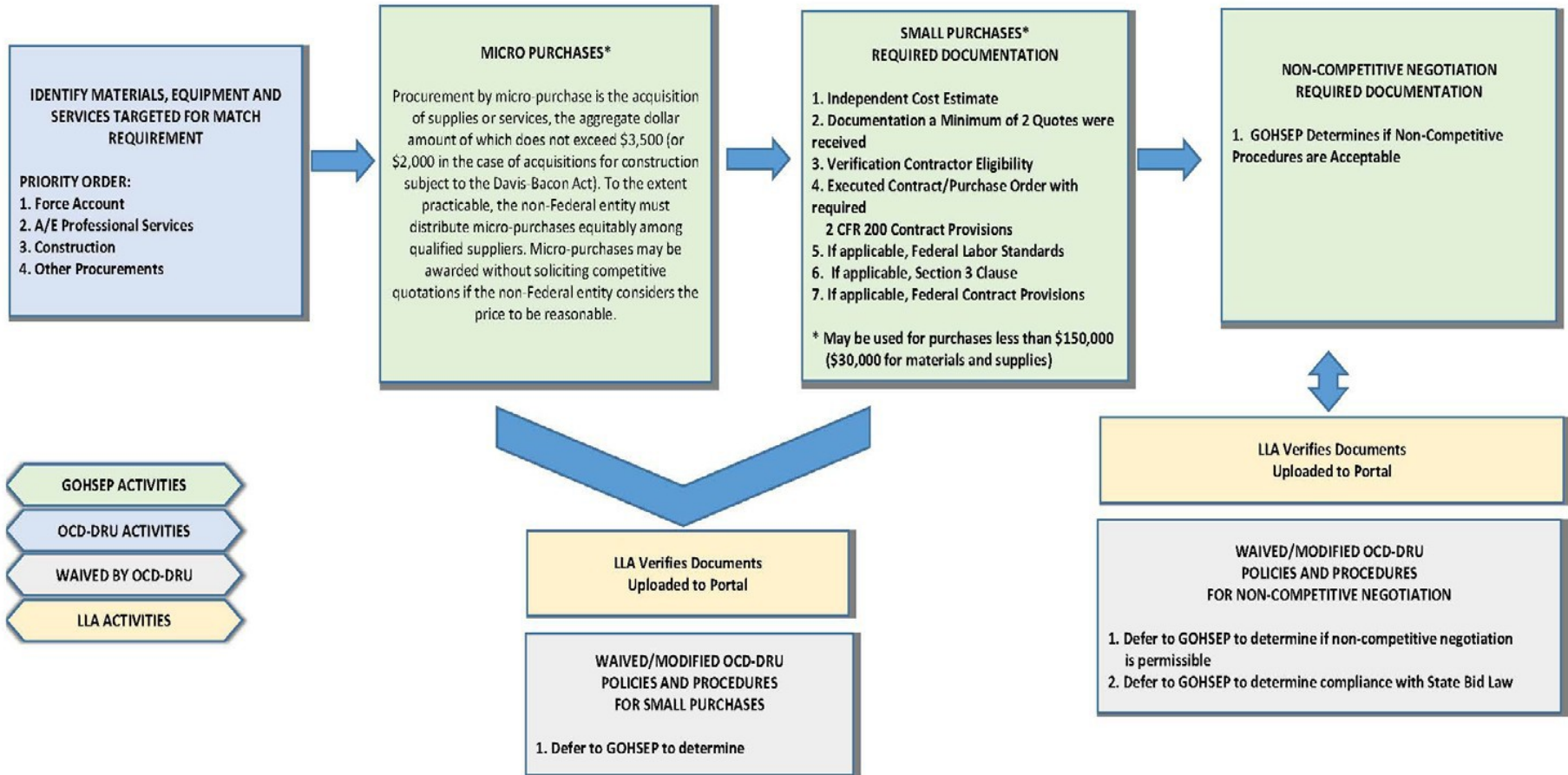


Exhibit 8- CDBG-DR Compliance

RESTORE LOUISIANA NON-FEDERAL COST SHARE MATCH PROGRAM OFFICE OF COMMUNITY DEVELOPMENT - DISASTER RECOVERY UNIT

STEP 3 - CDBG-DR COMPLIANCE AREAS

DAVIS -BACON AND RELATED ACTS*

1. Provide A/E with Wage Decision
2. 10 Day Call to verify Wage Decision has not been modified
3. Review weekly payrolls
4. Review documentation of payroll deductions
5. Conduct on-site Employee Interviews
6. Verify on-site posting of Wage Rates and required posters
7. Verify apprenticeship/trainee rates
8. Obtain Additional Classifications, if needed
9. Wage Restitution, if required
10. Final Wage Compliance Report

* DBRA does not apply if construction was completed prior to April 4, 2017

SECTION 3* **

1. Grantee Section 3 Plan
2. Contractor Section 3 Plans
3. Reporting on New Hire Goal - 30% of New Hires Section 3 Residents
4. Reporting on Contracting Goal - 10% of Construction Contracts and 3% of Non-Construction Contracts

* Applicable to Grantees receive over \$200,000 CDBG-DR funds and to contracts over \$100,000

** Section 3 does not apply if construction was completed prior to April 4, 2017

ENVIRONMENTAL REVIEW

GOSHEP responsible for environmental review of project activities

ALLOWABLE COST REVIEW LARGE PWs

GOSHEP responsible for allowable cost review of Large PWs

PROCUREMENT

GOSHEP responsible for Grantee compliance with 2 CFR 200 procurement regulations

ALLOWABLE COST REVIEW SMALL PWs

responsible for allowable cost review of Small PWs

PROPERTY MANAGEMENT

GOSHEP responsible for Grantee compliance with FEMA asset management regulations

WAIVED/MODIFIED OCD-DRU POLICIES AND PROCEDURES

1. Procurement - Defer to GOSHEP on review of change orders
2. Financial - Defer to GOSHEP on adequacy of Grantee financial management system

FHEO

1. Activities are carried out in conformity with the Fair Housing Act
2. Activities are carried out in conformity with the Civil Rights Act of 1964
3. Investigate and resolve FHEO complaints
4. Conduct at least one Fair Housing Activity*

* Does not apply if construction was completed prior to April 4, 2017

UNIFORM ACT*

1. Acquisition of property by Purchase
2. Acquisition of property by Donation
3. Leases longer than 15 years
4. Permanent and/or Temporary easements necessary for the Project except for temporary easements needed solely to perform work to exclusively benefit property owner

* The Uniform Act applies even if non-CDBG-DR funds are used for acquisition.

Grantees should inform OCD-DRU if the project requires any type of property acquisition or relocation

FINANCIAL MANAGEMENT

1. Internal Controls
2. Financial Reporting
3. Audits

GOSHEP ACTIVITIES

OCD-DRU ACTIVITIES

WAIVED BY OCD-DRU

LLA ACTIVITIES