

**COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR)  
GRANT AGREEMENT**

**Grantee's Name:** State of Alabama

**Tax ID Number:** 63-6000619

**Grantee's unique entity identifier [SAM]:** PQ3LJB9LMX63

**Unique Federal Award Identification Number (FAIN):** B-21-DZ-01-0001

**Appropriation Account:** 86X0162

**Program Accounting Code:** LDZ

**Federal Award Date:** May 18, 2022

**Period of Performance and Budget Period Start Date:** May 18, 2022

**Period of Performance and Budget Period End Date:** May 18, 2028

**Date Use of Funds May Begin:** September 14, 2020

**Amount of Federal Funds Obligated by this Action:** \$15,586,600.00

**Amount of Federal Funds Previously Obligated:** None

**Dates of Prior Obligation (if applicable):** Not Applicable.

**Total Amount of the Federal Award:** \$15,586,600.00

**Federal awarding agency:** Department of Housing and Urban Development

**Contact information for HUD:** Adrian Fields, Acting CPD Director; U.S. Department of Housing and Urban Development; Alabama State Office; Region IV, 417 20<sup>th</sup> Street, North; Suite 700; Birmingham, Alabama 35203.

**Assistance Listing:** 14.228 Community Development Block Grant/State's program

**Indirect Cost Rate for the Grant:** See Attachment 1

**Check One:**  Original Funding Approval **or**  Amendment: Click or tap here to enter text.

## **I. Recitals**

The Disaster Relief Supplemental Appropriations Act, 2022 (Pub. L. 117–43), approved September 30, 2021 (the “Appropriations Act”), makes available \$5,000,000,000 in Community Development Block Grant Disaster Recovery (CDBG–DR) funds. These CDBG–DR funds are for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed (MID) areas resulting from a qualifying major disaster in 2020 or 2021.

The United States Department of Housing and Urban Development (the “Department” or “HUD”) allocated over \$2.7 billion in CDBG–DR funds from the Appropriations Act to assist in long term recovery from disasters occurring in 2020. As required by the Appropriations Act, HUD’s final allocations for the total estimate of unmet needs included an additional amount of 15 percent of that estimate for mitigation activities that reduce risk in the MID areas.

HUD notified the public of the allocations in press releases and in a Federal Register notice, *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice*, which was published at 87 Fed. Reg. 6364 on February 3, 2022 (the “Allocation Announcement Notice”). The Allocation Announcement Notice, including the CDBG-DR Consolidated Notice (Appendix B of the Allocation Announcement Notice), contains requirements that are incorporated into this Agreement and are included for reference in Attachment 2.

This agreement between the Grantee identified on page 1 (“Grantee”) and HUD governs grant amounts identified on page 1 that are allocated and obligated to the grantee based on HUD’s review of the impacts and estimates of unmet need for major disasters identified in the Allocation Announcement Notice. The Allocation Announcement Notice, and subsequent notices or press releases, identify the total amount allocated to the Grantee, and the amount of the total allocation that is provided as a mitigation set aside. Page 1 of this agreement identifies the portion of that allocation that HUD has obligated to the Grantee.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) require HUD to have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. HUD may establish specific criteria and conditions for this grant as provided for in section V.B.3. of the CDBG-DR Consolidated Notice and at 2 CFR 200.206 and 200.208.

Now, therefore, under the authority of the Appropriations Act, the Grantee and HUD agree to the terms of this COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT, including but not limited to the General Terms and Conditions and Specific Conditions set forth in sections II. and III. and Attachment(s) (the “Agreement”).

## **II. General Terms and Conditions**

1. This Agreement is a federal award (grant). The grant is subject to all requirements in the Agreement, including the requirement that the Grantee agrees to use the grant funds in accordance with the Agreement, as may be amended from time to time. If the amendment box on page 1 is checked, the amended agreement governs the grant from the date the amendment is signed by HUD.
2. The following requirements, as now in effect and as these requirements may be amended from time to time, are incorporated into the Agreement: requirements of the Appropriations Act, and requirements of title I of the Housing and Community Development Act of 1974 (HCDA or HCD Act) (42 USC 5301 et seq.) and implementing regulations at 24 CFR part 570, as modified by waivers, alternative requirements, and other requirements published in the Allocation Announcement Notice and other applicable Federal Register notices.
3. The period of performance/budget period for this agreement is specified on page 1. The Grantee shall not incur any obligations to be paid from funds made available by this award after the last day of the period of performance. Pre-award costs and pre-agreement costs are allowable to the extent permitted by the Allocation Announcement Notice and other applicable Federal Register notices.
4. The Grantee must comply with the applicable requirements at 2 CFR part 200, as may be amended from time to time, to the extent that part 200 is incorporated into and made applicable by 24 CFR part 570, subpart I, or applicable Federal Register notices that govern this grant. Recent amendments to 2 CFR part 200 were effective on August 13, 2020, November 12, 2020, and February 22, 2021. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in applicable Federal Register notices, the Agreement (as may be amended), or program regulations, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the part 200 requirements as replaced or renumbered by the part 200 amendments. The Grantee must comply with other requirements established by the Office of Management and Budget (OMB), as amended, regarding the System for Award Management (SAM.gov) and the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25 and 2 CFR part 170.
5. A metropolitan city, urban county, unit of general local government, or insular area that directly or indirectly receives funds obligated by this agreement may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for eligible activities.
6. In accordance with the Appropriations Act and authorization by the Secretary (see paragraph IV.A.3. at 87 FR 6368), and subject to limitations in paragraph II.12. of this Agreement that require funds obligated by this Agreement to be used for program administrative costs unless and until this Agreement is amended to allow the use of grant funds for other eligible activities, the Grantee may use CDBG-DR funds that the grantee

was awarded under prior appropriations and funds obligated by this grant agreement interchangeably and without limitation for eligible activities authorized by Title I of the HCDA, as modified by applicable waivers and alternative requirements, if those activities are related to unmet recovery needs in the MID areas resulting from a major disaster in the Appropriation Act or in a prior or future appropriation act, when the MID areas for both CDBG-DR grants overlap and when the use of the funds will address unmet recovery needs of major disasters in the Appropriation Act or in any prior or future appropriation acts. For purposes of this requirement, if HUD did not identify MID areas for the major disaster in the Federal Register notices governing the CDBG-DR funds, the MID areas are those areas designated by the President in the major disaster declaration.

7. Activities undertaken with funds obligated by this Agreement shall be governed by the specific conditions in section III. until the specific conditions are modified or removed in writing by HUD. If the "Amendment" box on page 1 is checked, the following requirement applies: as of the date HUD signs the amendment, specific conditions in section III. of the amendment shall supersede all specific conditions previously imposed. Activities undertaken after HUD signs the amendment shall be governed by the specific conditions in the amendment until modified or removed by HUD in writing.
8. Before submitting this signed Agreement to HUD, the Grantee shall attach a schedule of its indirect cost rate(s) in the format set forth in Attachment 1. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule. The schedule and any revisions HUD receives from the Grantee are and shall be incorporated herein and made a part of the Agreement, as amended, provided that the rate(s) described comply with 2 CFR part 200, subpart E.
9. HUD and the Grantee agree that this Agreement shall be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. The Grantee shall maintain this Agreement, including any amendments, in its files.
10. Data Sharing Agreements and Computer Matching Agreements between HUD and the Grantee for the purpose of sharing FEMA data pertaining to major disasters assisted by this grant, when signed (including data sharing and computer matching agreements signed or modified after this Agreement is signed), are and shall be wholly incorporated into and made a part of this Agreement. Grant requirements enforceable under the terms of 24 CFR part 570, subpart O or I include the Grantee's duties and responsibilities under such Data Sharing Agreements and Computer Matching Agreements.
11. The Grantee may use up to five percent of its allocation under the Appropriations Act for program administrative costs related to the use of funds for this grant and program administrative costs of other CDBG-DR, CDBG-MIT, and CDBG-NDR grants without regard to a particular disaster. The Grantee must track and document payments of program administrative costs so that HUD may distinguish which program administrative costs are charged to this Federal award (grant) and which program administrative costs were paid for by grant funds obligated under prior or future CDBG-DR, CDBG-MIT, and CDBG-NDR grants. The Grantee must comply with the Federal Register notice requirements for

the use of funds for administrative costs across multiple grants, including the requirements in paragraph III.B.1.c. at 87 FR 6378, as may be modified from time to time, which requires (as of the date of this Agreement) that “the grantee must ensure that it has appropriate financial controls to guarantee that the amount of grant administration expenditures for each of the aforementioned grants will not exceed five percent of the total grant award for each grant (plus five percent of program income generated by the grant). The grantee must review and modify any financial management policies and procedures regarding the tracking and accounting of administration costs as necessary.”

12. In accordance with authority provided in the Appropriations Act, the first Agreement signed by HUD obligates funds that can be used for program administrative costs prior to the Secretary’s certification of financial controls and procurement processes, and adequate procedures for proper grant management. The Grantee prepared an action plan describing its use of funds for program administrative costs, subject to the five percent cap on the use of grant funds for such costs. HUD approved the action plan that describes the Grantee’s use of grant funds for program administrative costs. Unless and until this Agreement is amended to allow the use of grant funds for other eligible activities, the requirements in a. through c. apply:
  - a. The Grantee shall only use grant funds obligated by this Agreement for program administrative costs. This includes any funds used interchangeably under paragraphs II.6. and II.11.
  - b. The Grantee’s use of grant funds must adhere to the criteria for eligibility and the amount to be budgeted for any program administrative cost activities described in its action plan.
  - c. To access funds for program administrative costs, the Grantee must enter the activities from its approved action plan into the DRGR system if it has not previously done so and submitted its DRGR action plan to HUD (funds can be drawn from the line of credit only for activities that are established in the DRGR system).

To receive grant funds for activities other than administrative costs, the Grantee shall submit a Public Action Plan as required by the Allocation Announcement Notice (including the CDBG-DR Consolidated Notice). Once HUD approves the Public Action Plan, the use of all grant funds must be consistent with the Public Action Plan. After the date that HUD signs an amendment obligating grant funds that can be used for activities other than administrative costs, the action plan for administrative costs shall only be relevant to program administrative costs charged to the grant before the date of approval of the Public Action Plan.

The requirements a. and b. above continue to apply to program administrative costs charged to the grant before HUD signs an amendment that obligates grant funds that can be used for activities other than administrative costs.

### **III. Specific Conditions**

The following specific conditions correspond to the degree of risk assessed by HUD. These specific conditions may be adjusted post-award when merited by a re-evaluation of risk factors identified in 2 CFR 200.206 and 200.208. The specific conditions will be removed once the conditions that prompted them have been satisfied.

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THE UNDERSIGNED, as authorized officials on behalf of the Grantee and the Secretary, hereby enter this **COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT**, which shall be effective as of the date it is signed by the Secretary.

STATE OF ALABAMA

GRANTEE

**BY:**

*Kay Ivey*

(Signature)

Kay Ivey

(Name)

Governor

(Title)

April 28, 2022

(Date)

HOUSING AND URBAN DEVELOPMENT

ADRIAN FIELDS

Digitally signed by ADRIAN FIELDS  
Date: 2022.05.18 13:05:21 -04'00'

**BY:**

(Signature)

Adrian Fields

(Name)

Acting CPD Director

(Title)

5/18/2022

(Date)

**Attachment 1**

The Grantee shall submit a schedule of its indirect cost rate(s) in the format set forth. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule.

The schedule and any revisions HUD receives from the Grantee shall be incorporated and made a part of the grant agreement (the Agreement as may be amended from time to time), provided that the rate(s) described comply with 2 CFR part 200, subpart E.

<u>Administering Department/Agency</u>	<u>Indirect Cost Rate</u>	<u>Direct Cost Base</u>
<u>ADECA</u>	<u>3.75</u> %	<u>MTDC</u>
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

Instructions: The Grantee must identify each agency or department of the Grantee that will carry out activities under the grant, that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR §200.414(f)), and the type of direct cost base to which the rate will be applied (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rates for subrecipients.



## **Attachment 2**

*Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice, 87 Fed. Reg. 6364 (February 3, 2022).* Additional or amended grant requirements published in the Federal Register apply and are incorporated into this grant agreement even if this grant agreement (including this Attachment 2) is not updated.