

LOCAL RECOVERY HOUSING **COMPETITION PROGRAM**



Program  
Guidelines



## Version Control

Version Number	Date	Summary of Changes	Approved By
1.0	12/26/2023	Original Version	Kenneth W. Boswell

## Version Policy

Version history is tracked in the Version History Table, with notes regarding version changes. Dates of each publication are also tracked in this table.

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

## Policy Change Control

Policy clarifications, additions, or deletions may be needed during the course of the program to more precisely define the rules by which the Program will operate. Policy decisions will be documented and will result in the revision of the document in question.

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## 1 Introduction

This document serves as the program guidelines for the State of Alabama’s disaster recovery housing competition program known as the Local Recovery Housing Competition (Housing Competition). These guidelines were developed to serve as a basis for the State’s housing competition program and to provide guidance on program implementation that follows HUD standards and best practices. This document may also serve as a reference for applicants, subrecipients, and other interested parties who want to understand how the program operates. Note that these program guidelines are only intended to address the Local Recovery Housing Competition Program. Each of the other recovery programs outlined in the Alabama Action Plan for Disaster Recovery (“Action Plan”) is governed by its own Program Guidelines document.

In 2022, the State of Alabama was awarded a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the US Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by Hurricane Sally and/or Hurricane Zeta in 2020. Federal Register Vol. 87, No. 23 (87 FR 6364) and Federal Register Vol. 87, No. 100 (87 FR 31636) allocated a combined total of \$501,252,000 in disaster recovery funds to the State of Alabama. The CDBG-DR funds allotted to Alabama have been allocated to housing, economic revitalization, infrastructure, planning and administration. These funds will be administered through the Alabama Department of Economic and Community Affairs (ADECA). ADECA is the agency responsible and accountable to HUD for the administration of CDBG-DR funding.

Based on the State’s Unmet Needs Assessment contained within the Action Plan, the largest portion of unmet needs throughout the counties impacted by Hurricane’s Sally and/or Zeta in 2020 is related to housing recovery. ADECA has allocated \$30 million in CDBG-DR funding for the Local Recovery Housing Competition program to allow for the submission and selection of CDBG-DR eligible activities such as affordable multifamily rental housing, first-time home buyer assistance, and voluntary buyout.

## 2 Definitions

**100-year floodplain:** The area subject to inundation from a flood with a 1% or greater chance of being equaled or exceeded in any given year.

**500-year floodplain:** The area subject to inundation from a flood with a 0.2% or greater chance of being equaled or exceeded in any given year.

**Action Plan:** A document created by ADECA that outlines its plan for using CDBG-DR funds to support disaster recovery and mitigation initiatives as a result of Hurricanes Sally and Zeta. The Action Plan describes how ADECA will use CDBG funds to address long-term recovery and mitigation needs and priorities, outlines the specific projects and activities that will be funded, the expected outcomes, and the timeline for implementation. The plan also provides details on how the local government will meet national objectives, including the provision of decent housing, the creation of suitable living environments, and the expansion of economic opportunities for low- and moderate-income individuals and communities.

**ADECA:** The acronym for the Alabama Department of Economic and Community Affairs; the grantee and administering entity for CDBG-DR funds allocated to the State of Alabama for recovery from Hurricanes Sally and Zeta, both of which made landfall in Alabama in 2020.

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

**Applicant:** An eligible county or municipality that applies for assistance to the Local Recovery Housing Competition Program. Eligible program applicants include the governments of Clarke, Escambia, Dallas, Marengo, Perry, Washington and Wilcox counties, or a municipality located within those counties.

**AUGF:** Authority to Use Grant Funds

**CDBG-DR:** Community Development Block Grant-Disaster Recovery

**Critical Actions:** 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 (1) produce, use or store highly volatile, flammable, explosive, toxic or water-reactive materials; (2) provide essential and irreplaceable records or utility or emergency services that may become lost or inoperative during flood and storm events; or (3) 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).

**Choice-Limiting Actions:** Actions that would have an adverse environmental impact, limit the choice of reasonable alternatives, and/or commit subrecipients to future activities.

**Demolition:** Deconstruction or razing and clearance and proper disposal of substantially damaged or dilapidated buildings.

**Disability:** For the purposes of the program, "disability" is consistent with federal law under The Social Security Act, as amended, 42 U.S.C. §423(d), The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12102(1)-(3), and in accordance with HUD regulations at 24 CFR §5.403 and 891.505.

**Duplication of Benefits:** A duplication of benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need. The amount in excess of the total need is the DOB, which is prohibited by federal law.

**Environmental Review:** All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws. For HUD purposes, applicable requirements are found at 24 CFR 58.

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

**Flood Hazard Area:** Areas designated by FEMA as having a risk of flooding.

**Flood Insurance:** The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). In order to be able to purchase flood insurance, the community must participate in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

**Floodplain:** FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

**Grant Administration Manual:** The ADECA CDBG-DR Grant Administration Manual contains grant-wide policies applicable to ADECA staff and its subrecipients across all programs and aspects of grant management. Subrecipients must update their policies and procedures in order to comply with policies contained in the ADECA CDBG-DR Grant Administration Manual.

**Green Building Standards:** All rehabilitation that meets the definition of substantial improvement, reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) EPA Indoor Air Plus (Energy Star a prerequisite), (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations, and Maintenance, or Neighborhood Development), or (4) ICC-700 National Green Building Standard.

**Hardest Hit Most Impacted and Distressed (HHMID):** Baldwin County, Mobile County, and City of Mobile

**Household:** A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the Low- to Moderate-Income compliance test is based on the total household income.

**HUD:** United States Department of Housing and Urban Development

**Impact and Unmet Needs Assessment:** A significant part of ADECA's disaster recovery Action Plan that included an objective, quantitative assessment of the damage Hurricanes Sally and Zeta caused in the most impacted and distressed areas of Alabama and identified the locations and sectors where the state's recovery needs remain. The assessment served as the basis for the recovery programs ADECA developed, the budget amounts ADECA allocated to each program, and determined the state's direct allocation subrecipients (Baldwin County, Mobile County, and the City of Mobile) and their allocation amounts.

**Interlocal Agreement:** An agreement between governmental entities that is established as a contract to provide services to residents, typically at a lower cost. The agreements often increase the effectiveness and efficiency of providing local government services.

**Low- to Moderate-Income (LMI) National Objective:** Activities that benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance. The most current income limits, published annually by HUD, will be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

**Local Recovery Planning Program (LRPP):** ADECA's CDBG-DR funded recovery program by which Most Impacted and Distressed (MID) counties will develop a local recovery plan that identifies the highest priority recovery and mitigation projects resulting from the hurricanes Sally and Zeta natural disasters.

**Memorandum of Understanding (MOU):** An agreement between two or more parties outlined in a formal document that describes the broad outlines of an agreement that those parties have reached and communicates the mutually accepted expectations of all the parties involved.

**Mitigation Activities:** Those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

**Mitigation Needs Assessment:** A risk-based assessment ADECA completed to identify and analyze all significant and current future disaster risks in the most impacted and distressed areas of Alabama, a summary of which is included in ADECA's disaster recovery action plan. All mitigation activities LRRCP applicants propose must align with the mitigation needs identified in the assessment.

**Mobile/Manufactured Housing Unit (MHU):** A structure, transportable in one or more sections which, in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, is built on a permanent chassis and is designed to be used as a residential structure with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein. Sometimes referred to as mobile homes. A MHU is built to the specifications required in the Manufactured Home Construction and Safety Standards Act of 1974, 42 U.S.C. 70 § 5401 et seq. MHUs display a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

**Most Impacted and Distressed (MID) Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The MID-designated areas include Mobile, Clarke, Baldwin, Escambia, Dallas, Marengo, Wilcox, Perry, and Washington counties. MIDs eligible for the Local Recovery Housing Competition program do not include Baldwin County, Mobile County, and City of Mobile.

**Most Impacted and Distressed (MID) Recovery Zones:** Most Impacted and Distressed Area identified by the local unmet needs assessment within an MID county where project or program activities will be concentrated.

**Neighborhood Revitalization Strategy Area (NRSA):** a Community Development Block Grant (CDBG) grantee-designated area, usually a low-income neighborhood or community, targeted for comprehensive revitalization efforts. An NRSA is different from other local targeted areas in that the designation is reviewed and approved by HUD. The goal of an NRSA is to improve the physical,



economic, and social conditions of the area, often through a combination of community involvement, public-private partnerships, and government investment.

**Multifamily:** Residential structures containing five or more units or multifamily residential structures located on adjacent lots. Single-family structures are not eligible under these Guidelines.

**NFIP:** National Flood Insurance Program.

**Notice of Grant Application (NOGA):** The document ADECA will publicize to provide specific information about the application process, submission instructions, application deadlines, evaluation criteria, and scoring methodology. The NOGA will be released a short time after the completion of the Local Recovery Planning Program to open the application submission period for the Local Recovery Housing Competition.

**Opportunity Zones:** Designated low-income areas in the United States that have been identified by the federal government as being in need of economic investment. These zones were created as part of the Tax Cuts and Jobs Act of 2017 to encourage private investment in these areas. The goal of the Opportunity Zones program is to stimulate economic growth and job creation in underserved communities.

**Pro Forma Financial Statement-** Projections of future expenses and revenues, based on a company's past experience and future plans. This document will be used to estimate project budget costs.

**Program Income:** Any gross income received by a subrecipient that was directly generated from a CDBG-DR activity. In situations where Program Income is generated by an activity that is only partially funded by CDBG-DR funds, the prorated amount (the income attributable to the CDBG-DR portion) would be considered Program Income.

**Project:** An activity with a discrete combination of one lead entity, one eligible activity, one project service area, and one HUD national objective. The Local Recovery Housing Competition is designed to award and implement projects rather than programs.

**Promise Zones:** High poverty communities where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities identified by the community.

**Reasonable Accommodation:** A change, adaptation, or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job.

**Reconstruction:** The demolition, removal, and disposal of an existing residential structure and the replacement of that residential structure on the same lot, and in the same footprint, with a new residential structure that complies with State and local building codes. The number of residential structures on the lot may not increase and the total square footage of the original, principal residential structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a residential structure may be increased or decreased.

**Rehabilitation:** Repair or restoration of residential structures in the disaster-impacted areas to applicable construction codes and standards.

**Replacement:** Demolition, razing, clearing, deconstruction, removal, and replacement of a damaged MHU with a new MHU in substantially the same footprint or at a new location, if the original damaged

unit was on leased land and the MHU owner must relocate to a new property. Relocation of a new MHU will require additional environmental review.

**Resilience:** A community's ability to minimize property damage and recover quickly from extreme events and changing conditions, including natural hazard risks.

**Section 3:** A provision of the Housing and Urban Development Act of 1968 whose purpose is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

**Service Area:** A project's service area is the geographic area or region that will benefit from the project's activities and services. When applying for CDBG-DR funds, applicants must define the geographic boundaries of the service area they wish to benefit. The service area can encompass an entire community, neighborhood, or region, depending on the scope and outcomes of the project.

**Subrecipient Manual:** A policy guide available to ADECA CDBG-DR program subrecipients. The Manual summarizes policy regarding ADECA management and oversight of subrecipients' activities and provides subrecipients with general information and expectations for HUD compliance.

**Substantially Damaged Structure:** Damage to a structure in a Special Flood Hazard Area, or floodplain, for which the total cost of repairs is fifty percent (50%) or more of the structure's market value before the disaster occurred, regardless of the cause of damage.

**Tie Back, or Disaster Tie Back:** Activities funded under the CDBG-DR program must be related to a specific disaster event that caused damage or destruction to a community. For this program, CDBG-DR funds must be used to address the impacts of Hurricanes Sally and Zeta which led to the federal funding, rather than for unrelated community development activities. The tie back helps ensure that the funds are used in a way that is consistent with the intended purpose of the CDBG-DR program, which is to help communities recover from disasters and rebuild their infrastructure, housing, and economy.

**Qualifying Storms:** Hurricane Sally or Hurricane Zeta

**Vulnerable Population-** A group or community whose circumstances present barriers to obtaining or understanding information or accessing resources. These include, but are not limited to, women, racial or ethnic minorities, low-income individuals and families, individuals who are or have been incarcerated, individuals with disabilities, individuals with mental health conditions, children, youth and young adults, seniors, immigrants and refugees, persons with limited English proficiency, and LGBTQIA+ communities, or combinations of these populations.

### 3 Program Overview

The Local Recovery Housing Competition Program was established to provide access to funding for State and HUD-identified, Most Impacted and Distressed (MID) areas of Clarke, Dallas, Escambia, Marengo, Perry, Washington, and Wilcox Counties (excluding Baldwin and Mobile Counties and the City of Mobile, which will receive their own funding via direct allocations from the State). All eligible counties are required to participate in the Local Recovery Planning Program (LRPP) and have an accepted Local Recovery Plan (LRP) to be eligible to participate in the Local Recovery Housing Competition Program. The objective of the program is to determine through a competitive process the most cost reasonable and high-impact housing projects<sup>1</sup>. Projects are required to be located in or have a direct impact on MID Recovery Zones, defined as areas with populations of high vulnerability and high unmet recovery needs, identified in the LRP. Selected projects will maximize benefits to the community by providing funding for affordable housing projects, reducing area blight through housing redevelopment, preventing low-income individuals and families from experiencing homelessness, and other mitigative measures.

The Local Recovery Housing Competition program is centrally administered by the Alabama Department of Economic and Community Affairs (ADECA). Individual projects will be administered by program subrecipients upon grant award. The program will fund projects that support recovery and mitigation strategies defined in the ADECA-accepted LRP created from the LRPP, a companion HUD-funded disaster recovery program intended to address non-housing and mitigation needs. Due to funding limitations and other factors, the program cannot guarantee assistance for all eligible submitted applications. The program will prioritize approval of projects that have a high impact on low- to moderate-income households, vulnerable populations, and federally protected classes.

The Local Recovery Housing Competition considers the most vulnerable populations, as identified in the Action Plan, to include HUD-identified underserved communities (Promise Zone, Opportunity Zone, Neighborhood Revitalization Strategy Area, Tribal Area, households that face barriers to accessing resources, and other vulnerable populations such as the elderly and disabled, and members of a protected class based on age, race, color, disability, religion, sexual orientation, gender identity). Counties will identify vulnerable populations in the Local Recovery Plan as required in order to identify the MID recovery zones.

Applicants who meet eligibility and other program requirements explained further in these program guidelines may be awarded funds for projects such as affordable multifamily rental housing, voluntary residential buyout, first time homeowner assistance, relocation assistance and housing counseling services. Awardees of the Local Recovery Housing Competition funds will enter into subrecipient agreements (SRA) with ADECA to administer their projects and will report milestones and compliance to ADECA directly.

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<sup>1</sup> Emphasis on “project”. The Local Recovery Housing Competition will fund stand-alone projects rather than recovery or mitigation programs. Applicants should contact ADECA for technical assistance if there is uncertainty regarding whether the proposed activity is a project or a program.

## 4 Program Budget

The program budget and award range are as follows:

<b>Total Program Budget:</b>	<b>\$30,000,000</b>
<b>Minimum Project Award:</b>	<b>\$500,000</b>
<b>Maximum Project Award:</b>	<b>\$5,000,000<sup>2</sup></b>

Each project application must include a cost estimate that aligns with the requested amount of funding, with considerations for contingencies and overruns, plus any additional funding sources needed to complete the project. A Pro Forma financial statement may be recommended as part of the application depending on the type of activity proposed. The applicant will be required to indicate commitment of all other funding needed to complete the entire scope of the proposed project. ADECA will not require matching funds from the applicants; however, ADECA encourages applicants to leverage additional resources whenever possible.

### 4.1 Method of Distribution

Program funding will be directly awarded to eligible entities via a competitive evaluation process. Applications will be scored and ranked on several evaluation criteria discussed later in these guidelines. Each awarded entity will enter into a subrecipient agreement with ADECA to carry out approved projects.

To maximize the program’s reach with its limited budget, ADECA will attempt to fund at least one project located within each eligible county, provided that the project meets threshold requirements. The remaining allocation will be awarded as the evaluation rankings, time remaining to spend grant funds, and program budget dictate. ADECA encourages collaboration between the MID areas, the local governments within the MID Recovery Zones, and non-profit organizations, to identify and develop projects that serve the areas’ most pressing recovery or mitigation needs.

## 5 Program Eligibility

In order for a project to be evaluated in the LRHCP, the following requirements must be met:

### 5.1 Be an Eligible Entity

Eligible program applicants include the governments of **Clarke, Escambia, Dallas, Marengo, Perry, Washington and Wilcox** counties, or a municipality located within those counties.

If a project involves multiple jurisdictions, one of the eligible entities must be designated as the lead applicant and must enter a contractual relationship with ADECA that identifies the entity(ies) that will have project implementation, management, and compliance responsibilities.

Applications for projects that involve multiple jurisdictions must, at a minimum, provide a draft of an Interlocal Agreement, a Memorandum of Understanding, or a similar document, which defines each

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<sup>2</sup> Awards may exceed the maximum amount on a case-by-case basis if the project is evaluated favorably, makes a compelling case for achieving program goals, and program funding is available. The maximum award is subject to a review of duplication of benefits and cost reasonableness or cost-benefit analysis.



entity's roles and responsibilities regarding the project including for such items as ongoing maintenance, transfer of any property that needs to be acquired for the project, etc.

## 5.2 Connection to the Local Recovery Plan (LRP)

Prior to entering the Local Recovery Housing Competition, the MID counties will collaborate on the completion of an LRP via ADECA's companion Local Recovery Planning Program. This CDBG-funded planning effort will result in the development of strategies that will identify the types of activities that will best serve the needs of the vulnerable populations and ultimately lead to the development of projects submitted to the Local Recovery Housing Competition.

In order for a project to be eligible for consideration, it must be a project that aligns with a recovery or mitigation strategy detailed in the LRP. If a project is submitted to the Local Recovery Housing Competition that cannot deliver on the strategies and goals detailed in the plan, that project will **not** be accepted.

## 5.3 Identify a Recovery or Mitigation Relationship

Any project that is funded by the Local Recovery Housing Competition must have a demonstrable tie back to disaster recovery impacts or propose future mitigative efforts. Depending on the activity proposed, a project will either need to demonstrate how it will address an unmet recovery need from Hurricanes Sally and/or Zeta or demonstrate how it will address current and future disaster risks.

### 5.3.1 For Recovery Activities: Demonstrate a Tie Back to the Storm

For recovery activities, HUD requires that CDBG-DR activities demonstrate a tie back – either direct or indirect – to the disaster which served as the basis for the grantee's allocation. In accordance with Federal Register Vol. 87, No. 23 (February 3, 2022), 87 FR 6364, "all CDBG-DR funded activities must clearly address an impact of the disaster for which funding was allocated".

Through the application process, the Local Recovery Housing Competition will require that recovery projects have a clear, justifiable tie back to the disaster. Applicants are required to document a disaster connection by linking their proposed activities to a disaster recovery need described in the impact and unmet needs assessment in the Action Plan.

Sufficient documentation of physical loss (i.e., a direct impact) must include damage or rebuilding estimates, insurance loss reports, images, or similar information that documents damage caused by the disaster. Sufficient documentation for non-physical disaster-related impacts (e.g., direct impact or indirect impact) must clearly show how the activity addresses the disaster impact.

### 5.3.2 For Mitigation-Focused Activities: Addressing Resilience and Risks

As mentioned above, the Housing Competition may also implement projects that are mitigation-focused rather than being a recovery activity. As per 87 FR 6364 part of its disaster funding allocation to Alabama, HUD mandated that at least 15 percent of Alabama's total grant be used towards mitigation activities (referred to as the Mitigation Set-Aside). While the Local Recovery Housing Competition is not a dedicated mitigation program, activities undertaken with mitigative aspects will help ADECA meet its mitigation set-aside funding requirement.

Unlike disaster recovery activities, mitigation activities do not require a direct tie back to the disaster. Rather, a mitigation project will be required to demonstrate how it will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact resulting from future disasters. Mitigation projects must also demonstrate how they will address current and future risks as identified in ADECA's mitigation needs assessment.

## 5.4 Perform an Eligible Activity

All projects awarded CDBG-DR funding must meet the criteria for a HUD eligible activity as defined by Section 105(a) of the Housing and Community Development Act (HCDA), as amended.

The activities in the table below have been included to allow and encourage subrecipients to think broadly in how to use program funds to address community revitalization and resilience through housing recovery activities. All projects must meet the criteria for at least one of the following activities to be eligible for Local Recovery Housing Competition funding:

<b>105(a)(1)</b>	Acquisition of Real Property
<b>105(a)(3)</b>	Code Enforcement in Deteriorated or Deteriorating areas with Public and Private Improvements
<b>105(a)(4)</b>	Clearance, Rehabilitation, Reconstruction, and Construction of Buildings
<b>105(a)(8)</b>	Provision of Public Services
<b>105(a)(11)</b>	Relocation Assistance
<b>105(a)(18)</b>	Rehabilitation or development of housing
<b>105(a)(25)</b>	Construction or Improvement of Manufactured Housing Shelters

In addition to the standard requirements for the eligible activities listed above, HUD has approved the following waivers for Alabama's disaster recovery allocation:

<b>New Housing Construction:</b>	42 U.S.C. 5305(a) and 24 CFR 507.270(b)(3) are waived to the extent necessary to permit new housing construction as per Federal Register Vol. 87, No. 100 (87 FR 31647).
<b>Buyout Activities:</b>	42 U.S.C. 5305(a) is waived and alternative requirement is established to the extent necessary to create a new eligible activity for buyouts.
<b>Safe Housing Incentives in disaster-affected communities:</b>	42 U.S.C. 5305(a) is waived and HUD is establishing the alternative requirement to establish safe housing incentives as an eligible activity.
<b>Homeowner assistance waiver and alternative requirement:</b>	42 U.S.C. 5305(a) is waived and replaced with the provision of direct assistance to facilitate and expand homeownership among persons at or below 120% AMI.
<b>Limitation on emergency grant payments-interim mortgage assistance:</b>	42 U.S.C 5305(a)(8), 24 CFR 570.201 (e), 24 CFR 570.207(b)(4), and 24 CFR 1003.207(b)(4) are modified to extend interim mortgage assistance from 3-20 months.

ADECA may consider projects that are not listed above but meet the criteria for one or more of the eligible Section 105(a) activities.

### 5.4.1 Ineligible Activities

Unless permitted by a waiver issued from HUD, the following activities may **not** be assisted with LRHCP funds:

- Rehabilitation and reconstruction of single-family dwellings
- Assisting entities that failed to meet the conditions of obtaining and maintaining flood insurance on prior Federally assisted programs.
- If the property is purchased using eminent domain, the ultimate use of that property may not benefit a particular private party and must be for public use.
- Funds may not be used to provide compensation to beneficiaries for losses stemming from disaster related impacts.
- Funds may not be used for a forced mortgage payoff.

### 5.5 Meet a National Objective

All LRHCP funded activities must meet at least one of the three national objectives defined in the authorizing statute of the CDBG-DR program:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483 (b))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483 (c))
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483 (d))

The Local Recovery Housing Competition will prioritize projects that meet the Low- to Moderate-Income National Objective. However, projects that Reduce Slum and Blight, or Urgent Need may be considered.

To meet the LMI National Objective, at least 50% of the beneficiaries of a project must qualify as LMI, with a total household annual gross income that does not exceed 80% of Area Median Income (AMI), adjusted for family size, as published annually by HUD.

As per, 87 FR 31661, activities carried out using Urgent Need (UN) as the National Objective will be required to provide detail as to what the urgent need is, why it is of specific urgency, and how the conditions pose a serious threat to the health and/or welfare of the community. Documentation will also require direct applicability to the local unmet needs assessment identified in the LRP, including urgency, type, scale, and location of the disaster-related impact. Please refer to Section III, Part 1 of the ADECA Subrecipient Manual for more details on the HUD National Objectives and how each is achieved.

### 5.6 Entity Vendor Registration

**SAM.gov:** The System for Award Management (SAM) is an Official U.S. Government system for all U.S. and International Businesses that would like to do business with the Federal Government. Any person, company or entity that will be receiving funds from the federal government must be registered and currently be in good standing on the SAM database. Awarded entities who are not registered in SAM, or who procure contractors not registered in SAM, will not be in compliance with the program and may have to return funds to ADECA.

**STAARS:** The STAARS Vendor Self Service (VSS) system allows vendors to register an account to do business with the State of Alabama, subscribe to bid notifications, and view financial transactions

online. The State of Alabama will only accept and fund bids from subscribed vendors with an active VSS account.

Applicants are encouraged to verify their registration and standing on the [SAM.gov](https://sam.gov) and [STAARS](https://procurement.staars.alabama.gov/PRDVSS1X1/AltSelfService) <sup>3</sup> systems as early as possible and take proactive steps to rectify any issues that may hinder their ability to receive funding.

## 6 Requirements for Housing Projects

There are several ways that CDBG-DR funds can be used for housing recovery and mitigation. This includes, but is not limited to, acquiring, constructing, reconstructing, or rehabilitating residential structures, as well as relocation payments and assistance. Housing activities are subject to these additional HUD requirements:

### 6.1 Contractor Standards

Contractors selected under this recovery program must make every effort to provide opportunities to low and very-low-income persons by providing resources and information to notify Section 3 individuals and businesses of opportunities in the community. ADECA will undertake the following efforts to help meet its Section 3 goals:

- Ensure that Section 3 requirements are written in all applicable contracts and subrecipient agreements.
- Build the capacity of stakeholders, including subrecipients and contractors, to meet Section 3 standards through technical assistance, tools, and guidance.
- Designate a Section 3 coordinator who will manage, support, and facilitate an effective Section 3 program, and who will be able to effectively communicate program requirements to stakeholders.

ADECA or its subrecipients must require a warranty period post-construction for housing work performed by the contractor to be guaranteed for a period of at least one (1) year, as applicable.

See section 8.9 of these Program Guidelines for additional information on Section 3.

### 6.2 Construction Standards

#### 6.2.1 Green and Resilient Building Standards

Comprehensive green building standards improve the lives of residents, support community revitalization, and protect the environment. There are significant social, environmental, financial and health benefits to incorporating a comprehensive set of green building standards.

The Housing Competition will follow Green Building Standards as stated in Federal Register Vol. 87, No. 23. Published on Thursday, February 3, 2022 (87 FR 6372) which requires all new construction and replacement of substantially damaged residential structures to meet the Green and Resilient Building Standard, by meeting an industry recognized standard that has achieved certification under at least one of the following Programs:

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<sup>3</sup> <https://sam.gov/content/home>, <https://procurement.staars.alabama.gov/PRDVSS1X1/AltSelfService>



- Enterprise Green Communities;
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
- ICC-700 National Green Building Standard Green + Resilience,
- Living Building Challenge, or
- Any other equivalent comprehensive green building Program acceptable to HUD

Additionally, all reconstruction and rehabilitation of substantially damaged residential structures must achieve a minimum energy efficiency standard, under at least one of the following:

- ENERGY STAR (Certified Homes or Multifamily High-Rise);
- DOE Zero Energy Ready Home;
- EarthCraft House, EarthCraft Multifamily;
- Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association;
- Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label);
- Earth Advantage New Homes; or
- Any other equivalent energy efficiency standard acceptable to HUD.

The Housing Competition will require its subrecipients to follow the guidelines specified in the HUD CPD Green Building Retrofit checklist for all rehabilitation of non-substantially damaged properties. The Green Building Retrofit checklist will be used to the extent applicable for the rehabilitation work undertaken.

If applicable, substantially damaged structures, as determined by the local jurisdiction's floodplain manager, may require additional construction considerations. Substantially damaged structure means a structure in a Special Flood Hazard Area – or floodplain – for which the total cost of repairs is fifty percent (50%) or more of the structure's market value before the disaster occurred, regardless of the cause of damage.

All construction activities must comply with applicable federal accessibility mandates to ensure accommodations for persons with disabilities are implemented when necessary to comply with Section 504 of the Fair Housing Act and/or the Americans with Disabilities Act.

### **6.2.2 Broadband Infrastructure in Housing**

Any substantial rehabilitation or new construction of a building with more than four (4) rental units must include installation of broadband infrastructure, except when:

- The location of the new construction or substantial rehabilitation makes the broadband infrastructure infeasible,
- The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or
- The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

The State will require the review for the feasibility of implementing the requisite broadband infrastructure in the plans and specifications approval process and will perform on-site inspections during construction and postconstruction to ensure compliance, where applicable.

### 6.3 Incorporating Mitigation Measures for Residential Structures

HUD has programmed their funding in such a way that many recovery-focused projects will also include mitigation measures. As part of their allocation to ADECA, HUD is imposing the following standard:

**Per Federal Register Notice 87 FR 6371, Housing Competition projects that involve the construction, reconstruction, or rehabilitation of residential structures must incorporate mitigation measures.**

When determining which mitigation measures to incorporate into a project, residential structures should be designed and constructed to withstand existing and future climate impacts expected to occur over the service life of the project. Projects will be required to indicate in their application the projected risks that the project may face, and the mitigation measures that will address said risks.

ADECA may choose to count these types of activities towards their mitigation-set aside goal (see section 5.3.2) so long as those activities and the incorporated mitigation measures will meet HUD's definition of mitigation.

### 6.4 Flood Insurance

Section 582 of the National Flood Insurance Reform Act of 1994, as amended, supra, prohibits flood disaster assistance in certain circumstances. In general, it provides no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently having failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that ADECA may not provide disaster assistance for the repair, replacement, or restoration to a person who has failed to meet these requirements.

Section 582 of the National Flood Insurance Reform Act mandates that ADECA must inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so. The requirement to maintain flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property. A Covenant Agreement shall be executed with ADECA enforcing this requirement prior to receiving disaster assistance.

Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates that flood insurance must be purchased for any HUD-assisted property within a Special Flood Hazard Area. Therefore, assisted applicants with structures located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program.

#### **6.4.1 Prohibition of Assistance for Lack of Flood Insurance Coverage:**

When a homeowner whose residential structure is located in the 100-year floodplain allows their flood insurance policy to lapse, it is assumed that the homeowner is unable to afford insurance and/or is accepting responsibility for future flood damage to the home. Higher income homeowners who reside in a 100-year floodplain, but who failed to secure or decided to not maintain their flood insurance, should not be assisted at the expense of lower income households. To ensure that adequate recovery resources are available to assist lower income homeowners who reside in a 100-year floodplain but who are unlikely to be able to afford flood insurance, and in accordance with an alternative requirement established in 87 FR 6389, the Local Recovery Housing Competition is prohibited from providing assistance for the rehabilitation/reconstruction of a house, if

1. The combined household income is greater than either 120 percent of AMI or the national median,  
The property was located in a 100-year floodplain at the time of the disaster, and
2. The property owner did not obtain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

Owner-occupied applicants must be at or below 80% AMI to qualify for assistance. Landlords with properties located in the 100-year floodplain are not eligible for assistance under The Local Recovery Housing Competition.

### **6.5 Advancing Equity**

In order to achieve HUD's goal of advancing equity with the use of its CDBG-DR funds, ADECA analyzed demographic indicators on historically underserved communities and vulnerable populations which has provided ADECA with the information needed to ensure projects have been designed to mitigate against unjustified discriminatory effects or failures to benefit these populations. Projects should be designed to directly impact populations who have experienced disproportionate and unfavorable outcomes due to historical discrimination and disinvestment in their communities. Subrecipients are encouraged to explain and provide examples of how their projects enhance for individuals with disabilities in the MID areas the availability of integrated, accessible housing and supportive services. Evaluation criteria have been written to ensure that applications to the Local Recovery Housing Competition are scored more favorably when proposed projects address the needs of these populations. Additionally, new housing construction of five or more units must be rented to low- and moderate-income households with incomes that do not exceed 80% area median income (AMI). Both evaluation criteria and affordable rent requirements will help ADECA achieve the Program objective of advancing equity.

### **6.6 Affordability Period**

If eligible activities result in the new construction of affordable rental housing of five or more units, then Program assisted units must be rented to low- and moderate-income households with incomes that do not exceed 80% area median income. ADECA defines affordable rent not to exceed the lesser of either the High HOME rents for the area and unit size or rent that does not exceed 30% of the adjusted gross income of the household.

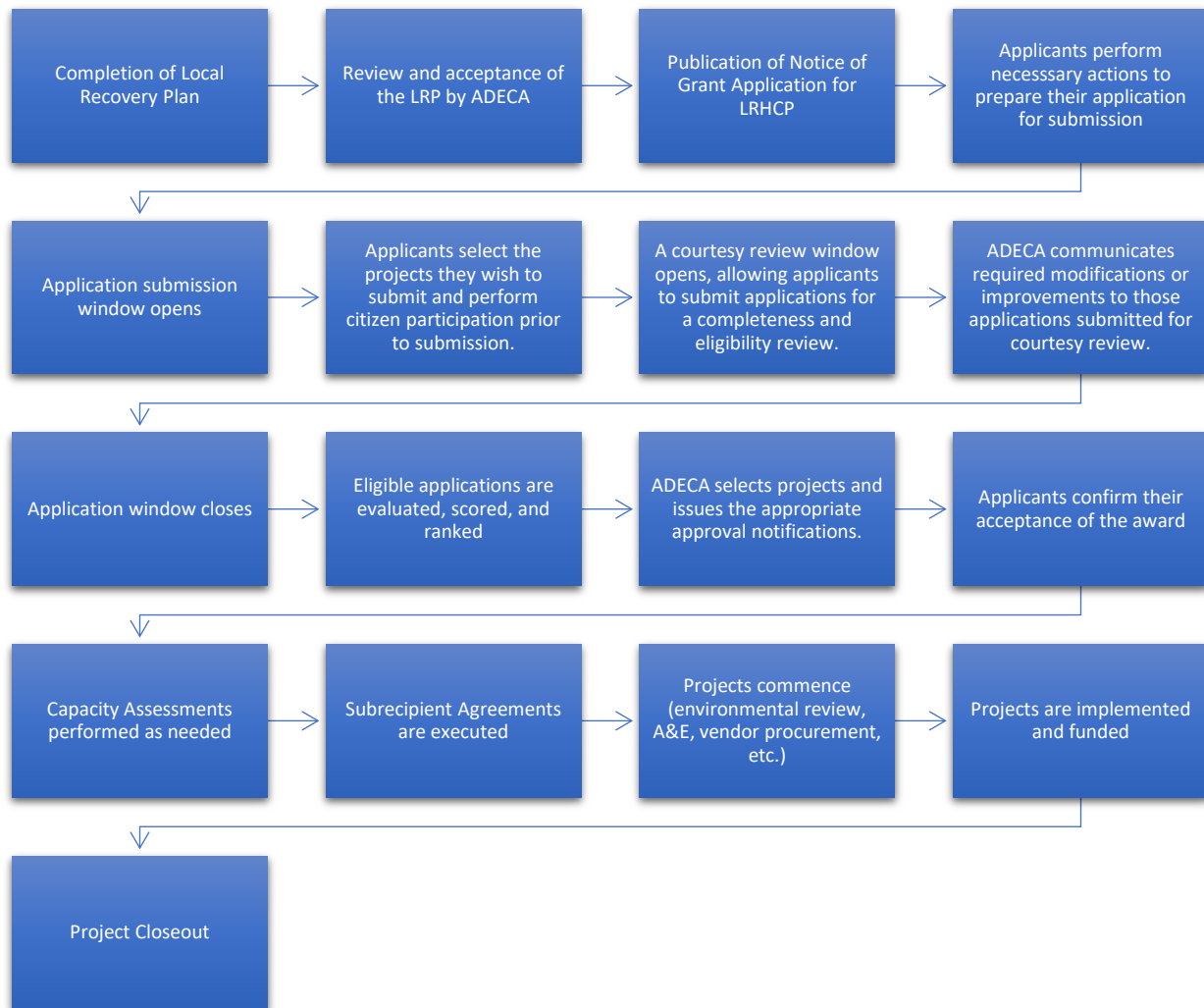
The Local Recovery Housing Competition assisted units must meet the affordability periods below:

Rental Housing Activity	Minimum Affordability Period in Years
Rehabilitation: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehab with refinancing	15
New Construction	20

The enforcement of these affordability requirements will be through restrictive covenants, or other similar legal mechanism recorded to the property for the affordability period.

## 7 Project Application Workflow

The following section provides an overview of the project workflow from application submission, evaluation, selection, to implementation. The general process is summarized in the following chart:





## 7.1 Technical Assistance by ADECA

ADECA understands that questions may arise at any time during the project’s lifespan and may host informational sessions, webinars, and one-on-one meetings, etc., as needed to ensure that applicants receive assistance throughout the process.

Applicants requiring technical assistance should submit a request to Tammy Perdew at: [tammy.perdew@adeca.alabama.gov](mailto:tammy.perdew@adeca.alabama.gov).

All Program documentation, forms, guidance documents, etc., will be available on ADECA’s website at <https://adeca.alabama.gov/cdbg-disaster-recovery/>.

## 7.2 Project Application Submission

Shortly after the completion and acceptance of the Local Recovery Plan, ADECA will publish a Notice of Grant Application to the eligible counties of this Program. That Notice will declare the project application submission window, provide application submission instructions, specify documentation submission requirements, and clarify the final evaluation and scoring criteria by which the Local Recovery Housing Competition Program will use to rank and award projects.

Prior to submission of an application(s) to the LRHCP, each applicant must conduct **at least one** public hearing that publicly discusses the selection of the projects that the Applicant has chosen to submit to the Program. **See section 9.1 for more details on these citizen participation requirements.**

ADECA will accept applications only during the defined application submission window via the methods identified in the Notice of Grant Application, or any subsequently approved extension.

Applications will undergo the following levels of review:



All applications will be first reviewed for completeness. The completeness review is not an analysis of the submitted information and documents, but rather to confirm that application files include all required information and documents and that nothing is left blank. Only complete applications will undergo an eligibility review to confirm that all minimum LRHCP eligibility and threshold requirements are met. Only eligible applications will advance to a full evaluation.

Due to the competitive nature of this Program and the types of projects that are anticipated, ADECA understands that applications will be complex and that applicants may benefit from receiving technical assistance prior to the submission deadline. Thus, ADECA will provide a defined courtesy review window prior to the submission deadline in which applicants will be able to submit their project applications for a preliminary review for completeness and eligibility. Applicants that wish to take advantage of this service must submit their application during a defined submission window. ADECA will communicate any identified deficiencies to the applicant, who then will have time to bolster their application prior to the submission deadline.

**ADECA will treat the submission deadline as the hard deadline for complete and eligible applications. After that deadline, incomplete and ineligible applications will be disqualified and not advance to a full evaluation.** Applicants that choose to not submit applications for a courtesy review assume full

responsibility to submit applications without an opportunity for remediation and assume the risk of disqualification.

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**PLEASE NOTE:** Once a project application is submitted to the Program, the applicant **must avoid committing any choice-limiting actions** in relation to the project. Failure to do so may put the eligibility of the project at risk.

See *Avoiding Choice Limiting Action* section for more details.

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### 7.3 Full Evaluation and Ranking

Only the applications that meet program eligibility thresholds will undergo a full evaluation using the evaluation methodology detailed in the Notice of Grant Application.

The following table provides *examples* of the areas that projects may be evaluated. The Notice of Grant Application, and an accompanying Application Evaluation Guide, will provide the final approved evaluation methodology, specific categories, questions, point ranges and scoring increments, and category scoring weights, but will generally consider the following:

<i>Category</i>	<i>Example of Items to Be Evaluated</i>
<b>Benefits of the Project</b>	<ul style="list-style-type: none"> <li>• Which national objective the project will meet</li> <li>• The social vulnerability index within the project’s service area</li> <li>• The impact on protected classes and vulnerable populations</li> </ul>
<b>Financial Aspects</b>	<ul style="list-style-type: none"> <li>• Project budget</li> <li>• Other funding sources</li> </ul>
<b>Project Aspects</b>	<ul style="list-style-type: none"> <li>• Alignment with unmet needs assessment</li> <li>• Addressing a disaster-related system</li> <li>• Resiliency and mitigation aspects</li> </ul>
<b>Relocation</b>	<ul style="list-style-type: none"> <li>• If relocation/displacement of occupants will occur</li> </ul>
<b>Implementation Considerations</b>	<ul style="list-style-type: none"> <li>• Readiness to implement</li> <li>• Level of risk</li> <li>• Project feasibility</li> <li>• Operations and maintenance plans</li> <li>• Capacity to implement</li> </ul>

Once all eligible applications are evaluated by ADECA, the entire application portfolio will be ranked from highest to lowest by score.

## 7.4 Project Selection and Award

To ensure equity in program participation and to ensure that HUD funding reaches all MID areas, ADECA will select the highest-scoring project from within each county, provided that the project meets threshold requirements. The remaining projects will then be selected in order of ranking, no matter the county in which the project is located, as the program’s budget allocation allows. A project that is not selected may later be funded as an alternate in the event an awarded project is not implemented. *(See Appendix A for a visualization of a hypothetical project selection methodology.)*

Once an application has been selected for funding, ADECA will send the applicant a Letter of Conditional Commitment, notifying the applicant of its successful application and specifying the amount of funding to be awarded and documents required prior to receiving the agreement. The applicant will be expected to review, sign, and return the Letter of Conditional Commitment to ADECA to confirm intent to move forward with the project.

After the Letter of Conditional Commitment has been reviewed and countersigned, ADECA will conduct any necessary capacity assessments and execute a subrecipient agreement (SRA) with the county (or execute an amendment if an existing SRA is already in place). The SRA will contain the period of performance, the federal and state laws and regulations that will govern the CDBG-DR activity(ies), and other items.

## 7.5 Project Commencement and Implementation

The subrecipient is expected to initiate the activities necessary to implement the project immediately following execution of the SRA. These may include procurement of necessary professional services for project management, environmental review, completing architectural and engineering and design work for the project.

The completion of the appropriate environmental review is especially important since program funds cannot be disbursed until the subrecipient has received environmental clearance for each eligible activity. *(Please note that no choice-limiting actions can be undertaken before the environmental review process is completed. See Avoiding Choice Limiting Action section of these guidelines for more details.)*

Upon completion of the environmental review process and the receipt of an Authority to Use Grant Funds (AUGF) form (for construction activities and other hard costs), the subrecipient will carry out the approved activity(ies) in accordance with the SRA. The subrecipient must validate that all construction work (if applicable to the project) meets the criteria for construction standards established in the Construction Standards section of these guidelines.

Throughout the implementation phase, the subrecipient will be responsible for monitoring of the activity(ies), data collection, and quarterly reporting, to ensure compliance with ADECA’s federal grant requirements. ADECA will provide technical assistance and training to subrecipients, as needed, throughout the life of the subrecipient’s project.

Subrecipients are encouraged to refer to ADECA’s Subrecipient Manual and Grant Administration Manual, which contain grant-wide policies applicable to ADECA staff and its subrecipients across all programs.

## 7.6 Project Closeout

HUD requires that all activities that used CDBG-DR funds be closed out in the Disaster Recovery Grant Reporting (DRGR) system. Closeout of a project may only occur after all of the following have been met: (1) the entire scope of a project has been completed; (2) a CDBG national objective has been met; (3) all project funds (CDBG-DR and all others) have been expended, and; (4) and any monitoring review that included the project has been closed.

ADECA will make the final determination regarding whether the completed activity complied with the terms of the SRA and can move to the closeout phase. Program staff will perform a complete review of the project file to ensure all necessary documentation is present and to ensure that the activity is ready for closeout.

If ADECA or another authorized entity identifies instances of non-compliance that occurred throughout the SRA period, ADECA may require repayment of grant funds from the subrecipient to remedy the specific instance(s) of misuse. Additional details about Closeout can be found in the ADECA Subrecipient Manual.

## 8 Other Applicable Program Requirements

ADECA's subrecipients must comply with requirements that are specific to the CDBG-DR program as well as the federal grant ADECA received from HUD for the qualifying storms. Pertinent requirements that apply to the LRHCP are:

- Uniform Administrative Requirements located at 2 CFR 200
- Community Development Block Grant Program Regulations located at 24 CFR 570
- Federal Register Notices allocating funds to Alabama as a result of Hurricanes Sally and Zeta: 87 FR 6364 and 87 FR 31636 (and any future notices or amendments)
- Any applicable state regulations

In addition, several federal statutes outside the CDBG-DR program apply to CDBG-DR funded activities. These “cross-cutting” requirements cut across departments to apply to all activities delivered by the Federal Government. All subrecipients must follow all cross-cutting requirements, as applicable, for all CDBG-DR funded activities. **More details on applicable federal regulations can be found in the ADECA Subrecipient Manual.**

### 8.1 Citizen Participation

Prior to submission of an application(s) to the LRHCP, each Applicant must conduct **at least one** public hearing that covers the project(s) being submitted to the Program as well as other local community development and housing needs (including affirmatively furthering fair housing).

The Applicant must provide at least 14 days' notice of the hearing(s) and it must be held at a time and accessible location convenient to potential or actual beneficiaries, with accommodations for persons with disabilities. All public hearings must be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.

Please note the LRHCP public hearing may be performed in conjunction with the Applicant's public hearing for the Local Recovery and Resilience Competition Program (LRRCP), which will allow both competition programs to satisfy this citizen participation requirement concurrently. The public hearing(s) for the competition programs must be conducted separately from the hearings conducted for the **Local Recovery Planning Program**, however.

ADECA will require the LRHCP application to include a resolution that is passed by the jurisdiction's governing body approving submission of the project application to the Program.

Each local government applicant that receives assistance from ADECA will be required to certify that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 and that sets forth the jurisdiction's policies for facilitating citizen participation.

### 8.1.1 Four-Factor Analysis and Language Access Plan

Prior to conducting the public hearing(s), each applicant must conduct a Four-Factor Analysis and, if necessary (i.e., a population exceeding 1,000 LEP persons was determined to exist within the service area), develop a Language Access Plan (LAP) for persons with Limited English Proficiency (LEP).

If an applicant's LAP reveals that an LEP population(s) of 1,000 or more persons (or five percent of the total population but at least 50 persons) exists within the jurisdiction, the applicant must provide appropriate language assistance through the posting of public hearing notices in areas frequented by LEP persons of the threshold population(s) in the language(s) spoken.

All Citizen Participation materials must also be made accessible through all means identified in the grantee's LAP.

Additional details about Citizen Participation requirements can be found in ADECA's (2023 revised) Citizen Participation Plan, which is published on the [ADECA public website](#).

## 8.2 Environmental Review

Each LRHCP project, and all activities related to the project, is subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as HUD environmental review regulations at 24 CFR Part 58. Subrecipients will be responsible for ensuring that the appropriate level of review is completed prior to executing each project.

Environmental clearance for the CDBG-DR funds must be obtained prior to the firm commitment of Federal or non-Federal funds. **Note LRHCP funding will NOT be disbursed to a subrecipient until the appropriate environmental review has been received for the approved activity(ies).**

In instances where another Federal agency (e.g., FEMA) has already completed an environmental review for the project, a subrecipient may elect to adopt that review if it covers all project activities proposed by the LRHCP project. In this situation, the subrecipient must contact ADECA for technical assistance and directions regarding how to proceed.

Additional details about environmental review requirements can be found in the ADECA Subrecipient Manual.



### 8.2.1 Avoiding Choice-Limiting Actions

To avoid the disqualification of a project, it is imperative that no choice-limiting actions be performed after the date an applicant submits a project application to LRHCP. Applicants are prohibited from undertaking or committing any non-HUD funds on choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair, construction, or leasing or disposition prior to the execution of the “Authority to Use Grant Funds” (HUD 7015.16) or equivalent letter having been received.

Violation of this provision may result in the denial of the proposed project. Additionally, entering into a contract that obligates the applicant to any of the above activities constitutes a choice-limiting action and puts the eligibility and fundability of the project at risk.

### 8.3 URA- Acquisition and Relocation

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 U.S.C. § 4601 et seq., and the government-wide implementing regulations found at 49 C.F.R. part 24, all acquisition activities undertaken in the Housing Competition are subject to URA regulations.

LRHCP funds may **not** be used to support any Federal, state, or local project that seeks to use the power of eminent domain.

Subrecipients that implement acquisition activities should seek to minimize the displacement of persons as much as possible. Acquisition activities, including those that involve displacement, are considered high-risk activities.

Projects that involve (1) acquisition, and (2) displacement, will be evaluated less favorably during the competition phase than those that do not involve the acquisition of real property.

Additional details about URA requirements can be found in the ADECA Subrecipient Manual.

### 8.4 Labor Standards

Program subrecipients that undertake construction activities will be subject to various federal labor laws, including but not limited to the Davis-Bacon and Related Acts (DBRA), the Fair Labor Standards Act of 1938 (FLSA), the Contract Work Hours and Safety Standards Act (CWHSSA), and the Copeland Anti-Kickback Act (Copeland Act).

Subrecipients must appoint a Labor Compliance Officer (LCO) to oversee subrecipient and contractors’ compliance with federal labor standards, including the weekly submission and review of certified payroll reports, for their LRHCP projects.

The DBRA requires payment of prevailing wages (including fringe benefits) to workers on federally funded or assisted construction projects for any contract more than **\$2,000** for the construction, alteration, or repair (including painting and decorating) of public buildings or public works.

The Federal Labor Standards Provisions (HUD-4010) and federal wage decision(s) that is applicable to the Housing Competition project must be included in all construction contracts that trigger DBRA requirements.

Additional details about labor standards compliance can be found in the ADECA Subrecipient Manual.

## 8.5 Procurement

When purchasing services, supplies, materials, or equipment, subrecipients must comply with the State of Alabama's procurement laws and codes<sup>4</sup>, ADECA's state procurement policies and procedures, Section IV.B. of Federal Register Notice 87 FR 6364 and local policies and procedures based on full and open competition pursuant to 24 CFR 570.489(g). Where procurement requirements differ among federal, state, and local requirements, subrecipients must comply with the strictest requirement. Additionally, subrecipients must perform a cost or price analysis of each product or service to be procured prior to initiating the procurement as required by Section III.A.1.a.(2)(a)(ii) of Federal Register Notice 87 FR 6364.

Subrecipients may choose from multiple procurement methods when obtaining goods or services, including informal procurement methods (small purchase), and formal procurement methods (RFP/Q and sealed bids). However, the cost and type of goods/services to be provided will determine the most appropriate type of procurement for subrecipients to conduct.

Federal procurement regulations establish standards and guidelines for the procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services for CDBG-DR programs. These standards are furnished to ensure that such materials and services are obtained efficiently and economically and in compliance with the provisions of applicable Federal and State laws and executive orders. **Non-compliance with procurement requirements may result in the execution of contracts and agreements that are not eligible for reimbursement from CDBG-DR funds.**

Please refer to the ADECA Subrecipient Manual for additional details regarding procurement, including the various procurement methods that may be used to procure goods or services.

## 8.6 Duplication of Benefit

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121 et seq., prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. Duplication of Benefits (DOB) verification and analysis ensure that program funds compensate applicants for damages and needs that have not been addressed by an alternate source, either through funding or assistance. Federal Register Notice 84 FR 28836 describes the requirements to prevent duplication of benefits applicable to the Housing Competition.

Since CDBG-DR funding may only be used as the funding of last resort, ADECA must first consider disaster recovery aid received or reasonably anticipated to be received by subrecipients from any other federal, state, local, private, or other source, to determine if any assistance is duplicative. ADECA will require that all sources (federal, state, local, and private) and amounts of disaster assistance received

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<sup>4</sup> Code of Alabama 1975 and the State of Alabama Administrative Code Chapter 355-4-03

or reasonably anticipated to be received are documented with submission of an application for CDBG-DR funding.

Any assistance determined to be duplicative must be deducted from the Program’s calculation of the applicant’s total need prior to awarding assistance. If a subrecipient receives additional (non-CDBG-DR) funding for the approved Housing Competition project prior to the start of construction, the subrecipient must notify ADECA of the additional funding so that the program award can be recalculated. Any additional funds paid to subrecipients for the same purpose as the assistance awarded after the project has been completed must also be returned to ADECA.

Please refer to the ADECA Subrecipient Manual for additional details about Duplication of Benefits.

**DOB Calculation Framework**

DOB is calculated by subtracting non-duplicative exclusions from the total assistance. After determination of the total need and assistance, non-duplicative sources are amounts that are either: 1) provided for a different purpose that the Housing Competition does not assist; or 2) assistance provided for the same purpose, but for a different allowable use. An overview of the DOB calculation process is described below.



Therefore, to calculate the total maximum amount of the CDBG-DR award, ADECA will:

1. Identify the total funding need for the project;
2. Identify total assistance received by or available to the applicant;
3. Identify the amount to exclude as non-duplicative (amounts used for a different purpose, or same purpose, different allowable use);
4. Subtract exclusions from total assistance to determine the amount of the DOB; and
5. Subtract the amount of the DOB from the amount of the total need to determine the maximum amount of the CDBG-DR award (subrecipient award may not exceed program cap of \$5 million).

**Common Duplicative Sources**

Common disaster assistance sources include, but are not limited to:

- Federal Emergency Management Agency (FEMA)
- Small Business Administration (SBA)
- National Flood Insurance Program (NFIP)
- Department of Housing and Urban Development (HUD)
- Increased Cost of Compliance (ICC)
- United States Army Corps of Engineers (USACE)
- Private Insurance

- Private and nonprofit disaster assistance
- Other public or private source

Applicants will be required to provide support documentation, including award letters, decline letters and other documentation supporting the amount, sources and uses of funding received/declined to assist in the completion of the project that was provided in the recovery from the qualifying storms.

### Non-Duplicative Sources

It is important to note that assistance must be determined to be “*for the same purpose, same allowable use*” as the CDBG-DR award to be determined to be duplicative.

There are types of assistance received by an applicant which will not constitute a duplication of benefits. The Program will allow for reductions of DOB totals if applicants can prove that the use or control of the funds meet certain criteria. In accordance with 84 FR 28836, the DOB calculation may exclude assistance that was:

1. Provided for a different purpose;
2. Provided for the same purpose (eligible activity), but for a different, allowable use (cost);
3. Not available to the applicant;
4. A private loan not guaranteed by SBA;
5. A subsidized loan (including SBA) that is declined or cancelled; or
6. Any other asset or line of credit available to the applicant.

#### 8.6.1 Subrogation

The Stafford Act requires grantees to ensure that subrecipients agree to repay all duplicative assistance to the agency that provided the Federal assistance. To address any potential DOB, each subrecipient must also enter into an agreement with ADECA to repay any assistance later received for the same purpose for which the CDBG-DR funds were provided. This may be in the form of a subrogation agreement (or similar document) and must be fully executed before ADECA will disburse LRHCP funds to a subrecipient.

#### 8.6.2 Recapture

All subrecipient files will be reviewed and reconciled for accuracy to ensure that a DOB did not occur on the project. If a subrecipient has been identified as one that received a duplicative or improper payment, the program will document the amount and basis for the repayment in writing via a Repayment Notification.

Subrecipients who disagree with a repayment amount determined by the Housing Competition may challenge the determination within **thirty (30) days** of receipt of the Repayment Notification. The program will review and consider any subrecipient claims of financial hardship and may make limited accommodations in some cases.

If the subrecipient’s request is denied or if there is failure on the part of the subrecipient to contest within the allotted timeframe, the program will proceed with collecting the repayment amount.

All returns of funds must be made timely and, in a lump sum amount. All funds recovered due to the occurrence of a DOB will be tracked in the Disaster Recovery Grant Reporting system (**DRGR**) and returned to the CDBG-DR account, or to U.S. Treasury—if the CDBG-DR grant has been closed out.

## 8.7 Program Income

Program Income is defined by 24 CFR 570.500(a) as any gross income received by a subrecipient that was directly generated from a CDBG-DR activity. In situations where Program Income is generated by an activity that is only partially funded by CDBG-DR funds, the prorated amount (the income attributable to the CDBG-DR portion) would be considered Program Income.

Subrecipients will be required to report Program Income quarterly and will be subject to all grant requirements related to Program Income. If any program income remains at closeout of the program, ADECA may return these funds to HUD or transfer the balance to the State's annual CDBG program, as HUD may allow.

Examples of Program Income include, but are not limited to:

- Proceeds from the disposition of real property or equipment acquired or purchased with CDBG-DR funds.
- Payments of principal and interest on loans made using CDBG-DR funds.
- Proceeds from the sale of loans made with CDBG-DR funds.
- Proceeds from special assessments levied to recover the cost of constructing a public work or facility to the extent such cost was paid with CDBG-DR funds.
- Gross income from the use or rental of real or personal property acquired by a state, local government, or subrecipient thereof with CDBG-DR funds, less costs incidental to generation of the income.

HUD's Program Income threshold is \$35,000 received in a single year. Subrecipients may be required to return those funds to ADECA.

For additional information on Program Income refer to ADECA's Financial Management and Program Income Policies and Procedures located on the ADECA website, as well as the ADECA Subrecipient Manual.

## 8.8 Elevation Requirements

Subrecipients must elevate all residential structures located in the one percent annual chance (or 100-year) floodplain with the lowest floor, including the basement, at least two feet above the one percent annual chance floodplain elevation (base flood elevation). Mixed-use structures with no residential units and no residents below two feet above base flood elevation, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 500-year (or 0.2 percent annual chance) floodplain must be elevated or floodproofed (in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(2)– (3) or successor standard) to the higher of the 500-year floodplain elevation or three feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable, and the Critical Action is in the 100-year floodplain, then the residential structure must be elevated or floodproofed (in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(2)–(3) or successor standard) at least three feet above the 100-year floodplain elevation. Critical Actions are defined as “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.” For example, Critical Actions include hospitals, nursing homes, emergency shelters, police stations, fire stations, and principal utility lines.



In addition to other requirements in this section, subrecipients must comply with applicable state, local, and tribal codes and standards for floodplain management, including elevation, setbacks, and cumulative substantial damage requirements.

Residential structures that are elevated must meet federal accessibility standards.

## 8.9 Building Standards

To ensure compliance with the state's nondiscrimination obligations, including the Americans with Disabilities Act and Section 504 of the Fair Housing Act, all construction activities must meet federal accessibility mandates, which require that reasonable accommodations for persons with disabilities be implemented.

HUD defines a reasonable accommodation as a change, adaptation, or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job.

Site inspections will be performed for all buildings that are assisted with CDBG-DR program funds to ensure the completion of quality work, and compliance with building codes and contractual terms. Subrecipients are encouraged to place an emphasis on high-quality, durable, sustainable, and energy efficient construction methods and materials, in accordance with HUD guidance.

To the extent practicable, ADECA will require the implementation of Alabama State Building Code for all newly constructed buildings.

## 8.10 Section 3

Section 3 is a provision of the Housing and Urban Development Act of 1968 whose purpose is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Subrecipient contractors must comply with Section 3 and implementing regulations at 24 CFR part 75, including making efforts to recruit, target, and direct opportunities to Section 3 residents and businesses, as well as notifying Section 3 residents about training opportunities.

Additional details about Section 3 requirements can be found in the ADECA Subrecipient Manual.

## 8.11 Minority- and Women-Owned Business Enterprises (M/WBE)

2 CFR 200.321 requires ADECA, as a non-Federal entity defined in 2 CFR 200.321, to take necessary affirmative steps to ensure that all recipients, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR financial assistance ensure that, when possible, contracts and other economic opportunities are directed to small and minority business enterprises (MBE), women-owned business enterprises (WBE), and labor surplus area firms.

Subrecipients must make best efforts and take affirmative steps to achieve minority business enterprises and women-owned business enterprises (together M/WBE) utilization goals.

Additional details about M/WBE requirements can be found in the ADECA Subrecipient Manual.

## 8.12 Civil Rights and Non-Discrimination

Title VII of the Civil Rights Act of 1964 was enacted as part of the landmark Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq. and prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

When determining which recovery or mitigation project(s) to submit to ADECA to request program funding, subrecipients should consider the impact of their planned use of CDBG-DR funds on other protected class groups under fair housing and civil rights laws, vulnerable populations, and other historically underserved communities. HUD defines vulnerable populations as a group or community whose circumstances present barriers to obtaining or understanding information or accessing resources, such as women, racial or ethnic minorities, children, immigrants, refugees, LMI persons, individuals with disabilities, persons with limited English proficiency, or combinations of these populations.

When addressing unmet needs, subrecipients are encouraged to attempt to overcome prior disinvestment in infrastructure and public services for protected class groups (e.g., disabled persons), and areas in which residents belonging to such groups are concentrated. Additionally, subrecipients are encouraged to meet the program objective of equitably benefitting protected class groups in the MID areas, including racial and ethnic minorities, and sub geographies in the MID areas in which residents belonging to such groups are concentrated.

Additional details about Civil Rights and non-discrimination compliance can be found in the ADECA Subrecipient Manual.

## 8.13 Monitoring

As stated in 24 CFR 570.501(b), recipients of federal funds are responsible for ensuring that CDBG-DR funds are used in accordance with all program requirements and are responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate actions when performance problems arise.

All subrecipients will be subject to routine monitoring and compliance reviews by ADECA (or designated parties). Monitoring may include but is not limited to evaluation of the subrecipient's organization; policies and procedures, including duplication of benefits and financial management; recordkeeping; and compliance with these guidelines, the subrecipient agreement, and any other applicable laws and regulations.

All monitoring results will be recorded in detail for compliance, use of funds, etc. Issues of non-compliance may be categorized as either findings, concerns, or observations. Subrecipients found to be in non-compliance, or which received funds in error, may be required to repay grant funds to ADECA, in accordance with the subrecipient agreement.

Additional details about monitoring requirements can be found in the ADECA Subrecipient Manual.

## 9 General Provisions

### 9.1 Program Oversight

ADECA is ultimately responsible for the overall compliance of its CDBG-DR funded programs, including subrecipient compliance and performance. With respect to subrecipient oversight and management, ADECA will be responsible for:

- Establishing policies and procedures to allow for a clear understanding of requirements;
- Developing written guidance and trainings, and providing technical assistance to strengthen subrecipient capacity and understanding of requirements;
- Monitoring subrecipients for compliance throughout the lifecycle of the grant; and
- Maintaining open lines of communication between ADECA and subrecipient staff to ensure a successful and compliant recovery effort.

### 9.2 Noncompliance

In the event a subrecipient does not comply with these program guidelines, applicable policies and procedures, the SRA, and all other requirements, ADECA may take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. Additional remedies<sup>5</sup> may be required if the subrecipient presents a risk, a history of noncompliance, or fails to meet performance goals. Through documented oversight efforts, grant managers will ensure that necessary actions are followed when instances of possible noncompliance are identified. In such cases, ADECA may generally proceed as follows:

- Written notification sent to subrecipient which may include a statement and explanation of instance of possible noncompliance and corrective action(s) with a deadline to remedy the instance of noncompliance. ADECA and the subrecipient may work together to identify a solution and will develop a plan to meet the performance requirements.
- ADECA may impose a recovery plan in the event that subrecipient is unable to provide corrective action based on the above; and/or initiate suspension or termination<sup>6</sup> of SRA and recapture of funds in accordance with the provisions found therein.

### 9.3 Complaints

At any time throughout the course of the LRHCP, a citizen may directly contact ADECA or HUD to submit a complaint related to a local government's work pertaining to its CDBG-DR grant application, grant administration, or program implementation processes. Citizens are, however, encouraged to attempt to resolve their complaints at the local government level, if possible, prior to involving ADECA or HUD.

In accordance with guidance outlined in 87 FR 6384, ADECA will provide a timely written response to every written complaint it receives. Complaints will be addressed within **fifteen (15) working days** of receipt, when practicable. If a complaint cannot be addressed within fifteen (15) working days, ADECA will notify the complainant of the need for additional time and provide an estimated resolution/response timeframe.

<sup>5</sup> 2 C.F.R. § 200.208.

<sup>6</sup> 24 C.F.R. § 570.503(b)(6) – Suspension and Termination.

Persons who wish to submit formal written complaints related to the Housing Competition may do so through any of the following avenues:

- Via Email: [disasterrecovery@adeca.alabama.gov](mailto:disasterrecovery@adeca.alabama.gov)
- In Writing: Alabama Department of Economic and Community Affairs  
401 Adams Ave  
P.O. Box 5690  
CED Division, Suite 500  
Montgomery, AL 36093-5690

Although formal complaints must be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when it is determined that the citizen's particular circumstances do not allow the complainant to submit a written complaint. These alternate methods include, but are not limited to:

- Via telephone: (334) 353-3409
- In person at: Alabama Department of Economic and Community Affairs  
401 Adams Ave  
P.O. Box 5690  
CED Division, Suite 500  
Montgomery, AL 36093-5690

## 9.4 Appeals

Applicants who wish to contest a program determination may submit a written appeal to their program point of contact via electronic or postal mail, within **thirty (30) calendar days** from the date of the determination in question. Appeals received after the **thirty (30)-day** window has expired will not be considered.

Applicants may file an appeal to contest:

- Eligibility determination;
- Duplication of Benefits determination;
- Award amount; or
- Application Evaluation and Selection

An applicant cannot appeal program policies, federal regulations, or state statutes. Appeals that are filed based on these factors will be denied.

Applicants who choose to file an appeal are encouraged to provide individual facts or circumstances, as well as supporting documents, to justify their petition. In adjudication of the appeal, the program will only review facts and information already included in an applicant's file, unless the applicant submits new documentation. The program has the discretion to accept or reject new documentation based upon its relevance to the appeal.

## 9.5 Anti-Fraud, Waste, Abuse or Mismanagement

ADECA, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 87 FR 6364, ADECA implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the ADECA Audit Section, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

HUD has developed the following training for [Prevention of Fraud, Waste, and Abuse](#)<sup>7</sup> for subrecipients of CDBG-DR funds.

### 9.5.1 Reporting Fraud, Waste, Abuse, or Mismanagement

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the ADECA, directly to the OIG at HUD, or any local or federal law enforcement agency.

Any person, including any employee of the CDBG-DR Program, who suspects, witnessed or discovered any fraud, waste, abuse, or mismanagement, relating to the CDBG-DR Program, should report it immediately to the ADECA Audit Section by calling the number below or completing the form at the following website. If you give permission to ADECA to contact you regarding the matter, please provide your contact information when calling or completing the form online.

Reporting Fraud, Waste, Abuse, or Mismanagement to ADECA	
Phone	877-219-9592
Internet	<a href="https://adeca.alabama.gov/fraud/">https://adeca.alabama.gov/fraud/</a>

Allegations of fraud, waste or abuse can also be reported directly to the OIG by any of the following means:

Reporting Fraud, Waste, Abuse, or Mismanagement to HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 787-766-5868 (Spanish)
Mail	HUD Office of Inspector General (OIG) Hotline 451 7 <sup>th</sup> Street SW, Washington, D.C. 20410
Email	<a href="mailto:HOTLINE@hudoig.gov">HOTLINE@hudoig.gov</a>
Internet	<a href="https://www.hudoig.gov/hotline">https://www.hudoig.gov/hotline</a>

### 9.6 Exceptions to Program Policies

These Guidelines set forth the policy governing the program. Approved Standard Operating Procedures (SOP) set forth the procedures by which policy will be enacted. The Guidelines and the SOPs are intended to guide program activities and enforce compliance with applicable federal regulations. While Program Guidelines and SOPs govern the program, neither should be considered exhaustive instructions for every potential scenario that may be encountered by the LRHCP.

<sup>7</sup> <https://files.hudexchange.info/course-content/2019-cdbg-dr-problem-solving-clinic-days-2-and-3-active-cdbg-dr-grantees/Prevention-Fraud-Waste-Abuse-2019-CDBG-DR-Clinic-Slides.pdf>



At times, exceptions to program policies and/or procedures may be warranted. All exception requests will be reviewed and adjudicated on a case-by-case basis as the need arises, at the sole discretion of ADECA. Exceptions may be granted to program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

**(END OF GUIDELINES)**

## Appendix A: Project Selection Approach

The following is an illustration of the project selection approach as stated in the Project Selection and Award section. In order to encourage equity of funding throughout the declared MID areas, ADECA will award at least one project within each eligible county, provided that the project meets all program requirements. Additional projects will be funded in ranking order as the program budget allows, no matter the location.

Project Application	County Located Within	CDBG Funding Requested	Application Evaluation Score (out of 255 plus bonus)
Project 16	County 6	\$ 5,000,000.00	290
Project 1	County 1	\$ 3,000,000.00	260
Project 7	County 3	\$ 2,250,000.00	245
Project 2	County 1	\$ 4,200,000.00	230
Project 8	County 3	\$ 5,000,000.00	230
Project 4	County 2	\$ 2,000,000.00	220
Project 5	County 2	\$ 2,750,000.00	200
Project 19	County 7	\$ 2,300,000.00	195
Project 10	County 4	\$ 2,500,000.00	190
Project 6	County 2	\$ 3,000,000.00	185
Project 13	County 5	\$ 1,000,000.00	170
Project 17	County 6	\$ 400,000.00	165
Project 20	County 7	\$ 1,300,000.00	150
Project 3	County 1	\$ 1,500,000.00	150
Project 18	County 6	\$ 5,000,000.00	140
Project 11	County 4	\$ 2,250,000.00	140
Project 12	County 4	\$ 500,000.00	130
Project 14	County 5	\$ 900,000.00	125
Project 9	County 3	\$ 1,400,000.00	120
Project 15	County 5	\$ 1,500,000.00	115
Project 21	County 7	\$ 500,000.00	90

Based on the example above:

- The projects in **green** represent the highest-scoring projects from each of the seven eligible counties. Those would be the first projects selected for equity purposes.
- The projects in **yellow** represent the next projects to be selected based on their score and the availability of the program's remaining overall budget.
- The remaining projects will not move forward unless any of the highlighted counties do not accept their award. In that scenario, ADECA will update the selections and ensure that each county is still awarded its highest-scoring project, with remaining projects selected in order of ranking as the program budget allows.