

State of Louisiana
Community Development Block Grant
Mitigation Funds (CDBG-MIT)

**NON-FEDERAL COST SHARE
PROGRAM**

POLICIES AND PROCEDURES

Programs featured in the State's Master CDBG-MIT [Action Plan](#)¹ developed in response to Federal Register Notice Docket No. FR-6109-N-02



PROGRAM ADMINISTERED BY:
Louisiana Office of Community Development
Division of Administration
State of Louisiana

¹ This program may be adjusted or revised based on HUD requirements or later amendments to the Action Plan.

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- 1) Adoption of another Federal agency review memo, and
- 2) Sample RROF

III. VERSION HISTORY

IV. ACRONYMS AND DEFINITIONS

ACRONYMS

Acronym	Meaning
ABFE	Advisory Base Flood Elevations
AMI	Area Median Income
AP	Action Plan
BCA	Benefit Cost Analysis
BCR	Benefit Cost Ratio
BFE	Base Flood Elevation
BIA	Department of the Interior – Bureau of Indian Affairs
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CDBG-MIT	Community Development Block Grant – Mitigation
CDR	Cost Documentation Review
CEA	Cooperative Endeavor Agreement
CEF	Cost Estimating Format
CFR	Code of Federal Regulations
CPRA	Coastal Protection and Restoration Authority
CRS	Community Rating System
CWSRF	EPA Clean Water State Revolving Fund
DAC	Direct Administrative Costs
DBRA	Davis-Bacon and Related Acts
DEQ	Department of Environmental Quality
DHCR	Division of Housing and Community Renewal
DHS	United States Department of Homeland Security
DOA	Division of Administration
DOB	Duplication of Benefits
DOT	Department of Transportation
DR	Disaster Recovery
DRGR	Disaster Recovery Grant Reporting System
EA	Eligibility Analyst

EDA	Economic Development Administration
EEO	Equal Employment Opportunity
ERR	Environmental Review Record
EPA SRF	Environmental Protection Agency State Revolving Fund
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FIRM	Flood Insurance Rate Maps
FLSA	Fair Labor Standard Acts of 1938
FMV	Fair Market Value
FTA	Federal Transit Authority
GOHSEP	Governor's Office of Homeland Security and Emergency Preparedness
HCDA	Housing and Community Development Act
HMGP	Hazard Mitigation Grant Program
HMP	Hazard Mitigation Plan
HTFC	Housing Trust Fund Corporation
HUD	United States Department of Housing and Urban Development
LED	Louisiana Economic Development
LEP	Limited English Proficiency
LMI	Low and Moderate Income
LWI	Louisiana Watershed Initiative
MWBE	Minority and Women Business Enterprise
NEMIS	National Emergency Management Information System
NEPA	National Environmental Policy Act
NFIP	National Flood Insurance Program
NOFA	Notice of Funding Availability
NRCS	Natural Resources Conservation Service
OCD	Office of Community Development
OIG	HUD Office of Inspector General
PHA	Public Housing Authority
PM	Project Manager
PNP	Private Nonprofit
QA	Quality Assurance
QC	Quality Control

QPR	Quarterly Performance Report
RFP	Request for Proposals
RFQ	Request for Qualifications
RE	Responsible Entity
SBA	Small Business Administration
SOW	Scope of Work
URA	Uniform Relocation Act
USACE	U.S. Army Corps of Engineers

DEFINITIONS

100-Year Floodplain: Also referred to as the ‘base flood.’ This term, adopted by the NFIP as the basis for mapping, insurance rating, and regulating new construction, is the floodplain that would be inundated in the event of a 100-year flood. The 100-year flood has a one percent chance of being equaled or exceeded during any given year.

Action Plan or AP: After HUD publishes the Federal Register Notice (FRN) for a congressional appropriation; the grantee (eligible government) must develop and submit an Action Plan describing the needs, strategies and projected uses of the CDBG-MIT funds.

Applicant:

Base Flood Elevation (BFE): The elevation that waters from a 100-year flood will reach.

Change Orders: Modifications to the scope of work required due to unforeseen circumstances.

Coastal High Hazard Areas (V Zones): Areas along coasts subject to inundation by the 1-percent-annual-chance flood event with additional hazards associated with storm-induced waves. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.

Community Development Block Grant (CDBG): A federal program administered by the U.S. Department of Housing & Urban Development (HUD), which provides grant funds to local and state governments

CDBG-DR: Community Development Block Grant-Disaster Recovery funds.

CDBG-MIT: Community Development Block Grant-

Code of Federal Regulations (CFR): The Code of Federal Regulations is the annual collection of general and permanent rules and regulations that were published in the Federal Register by executive departments and agencies of the federal government.

Cooperative Endeavor Agreement (CEA): A contract agreement between OCD and local or parish governments for the exchange of services or funds.

Covered Project: As per FR-6109-N-02, includes infrastructure projects having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds, regardless of source (CDBG-DR, CDBG-NDR, CDBG-MIT, or CDBG).

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

Davis Bacon and Related Acts or DBRA: Federal law requiring payment of local prevailing wages as determined by the Department of Labor on public works projects. It applies to contractors and subcontractors performing work funded in whole or in part with CDBG funds for the construction, alteration or repair of any non-residential construction in excess of \$2,000 and residential construction of

eight units or more.

Disaster Recovery Grant Reporting System (DRGR): The Disaster Recovery Grant Reporting system was developed by HUD's Office of Community Planning and Development for the Disaster Recovery CDBG program and other special appropriations.

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

Environmental Review Record or ERR: The document resulting from required environmental review, which includes a description of activities, evaluation of environmental impact, documentation of compliance with applicable environmental regulations and an environmental determination.

Federal Emergency Management Agency (FEMA): The Federal Emergency Management Agency is an agency of the United States Department of Homeland Security, the primary purpose of which is to coordinate the response to a presidentially declared disaster that has occurred in the United States

Federal Register or FR: The Federal Register is the official journal of the federal government of the United States that contains government agency rules, proposed rules and public notices.

Federal Register Notice or FRN: HUD publishes a Federal Register Notices that outline the rules and regulations for the CDBG disaster and mitigation funding. Any use of FRN in this document will refer specifically to FR-6109-N-02, unless otherwise noted.

Flood: An overflow of water onto lands that are used or usable by man and not normally covered by water. Floods have two essential characteristics: The inundation of land is temporary; and the land is adjacent to and inundated by overflow from a river, stream, lake, or ocean.

Flood mapping: Geographic flood hazard information that support decision-making and provides stakeholders with high-resolution flood risk data, including flood elevation and risk assessment.

Floodplain: Any area of land within a watershed that is susceptible to inundation by floodwaters from any source.

Floodplain management: A decision-making process that aims to achieve the wise use of the nation's floodplains. It encompasses the choices made by owners of homes and businesses in the floodplain, decisions made by officials at all levels of government, plans made by land developers and contractors, and the judgment of the general public regarding future decisions to be made with regard to land use. 44CFR 59.1 defines *flood plain management* as "the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and flood plain management regulations."

Flood risk assessment: Estimations of flood losses and damages at a given depth of flooding, which are calculated at the structure level or aggregated at the census block level. Risk assessment will require cross reference with the latest predictions concerning the future change of climatic and physical conditions (e.g. predictions of sea level rise, land loss rates) as well as anthropogenic conditions (e.g. predicted land use and development patterns) over the coming decades.

Floodway: (also known as the “regulatory Floodway”) is the portion of the Floodplain effective in carrying flow where flood hazard is generally the greatest, and water velocity is the highest.

Flood Zones: Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk.

Owner: A person or persons who are listed on the deed as owning that property.

Internal Revenue Service (IRS): Federal department responsible for tax collection and tax law enforcement.

Limited English Proficiency (LEP): Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English can be limited English proficient.

Louisiana Watershed Initiative or LWI: Gov. John Bel Edwards established the Council on Watershed Management, which serves as the coordinated, interagency structure at the state level for watershed-based flood risk reduction. In August 2018, the Council launched the LWI to serve as the programmatic arm under which all related efforts operate.

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

Minority Business Enterprise (MBE): A business that is owned and controlled (minimum of 51 percent ownership) by a member of a minority group.

Minority and Women-owned Business Enterprise (MWBE): A business that is owned and controlled (minimum of 51 percent ownership) by a member of a minority group, or women.

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.

Multi-hazard risk assessment: A hazard identification and risk assessment provides the factual basis for activities proposed in the strategy portion of a hazard mitigation plan. An effective risk assessment informs proposed actions by focusing attention and resources on the greatest risks. The four basic components of a risk assessment are (1) hazard identification, (2) profiling of hazard events, (3) inventory of assets and (4) estimation of potential human and economic losses based on the exposure and vulnerability of people, buildings and infrastructure.

Non-compliant with flood insurance requirement (NCOMP): Records indicate that flood insurance on the damaged home has not been maintained as required. Failing to maintain flood insurance makes this home ineligible for assistance for damages to the property caused by flooding.

National Environmental Policy Act (NEPA): Establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government give proper consideration to the environment prior to undertaking any major federal action that could significantly affect the environment.

National Flood Insurance Program (NFIP): Created by Congress in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

Office of Community Development (OCD): An office of the Louisiana Division of Administration and the administering agency for CDBG-MIT funds.

Property Owner: Property Ownership is defined as holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, or a quitclaim deed to the Property to be assisted. The deed must be recorded with the parish, city, or appropriate local municipality.

Reconstruction:

Repair: The labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Request for Proposal (RFP): A procurement document designed to solicit proposal services where cost is considered as a factor.

Resilience: The ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions. Such disruptions may include, for example, a flooding event, a precipitous economic change, and effects of long-term environmental degradation, short-term or intermittent failure or under-performance of infrastructure such as the electrical grid. Resilience describes an area's capacity to prepare for, withstand, and recover from unpredictable shocks - minimizing impacts on people, infrastructure, environments, and economies. In practice, resilience provides a framework for guiding planning, investment, and actions in order to reduce vulnerabilities.

Responsible Entity (RE): Under 24 CFR Part 58, the term "responsible entity" (RE) means the grantee receiving CDBG assistance. The responsible entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record (ERR) is complete.

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

projects and activities in their neighborhoods.

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

Site Specific Checklist (SSC): The environmental compliance checklist that is required to document environmental clearance before Federal funds are permitted to be awarded.

Small Business Administration (SBA): SBA's Office of Disaster Assistance (ODA) provides affordable, timely and accessible financial assistance to Applicants, renters, and businesses. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

Subrogation: The process, by which duplicative assistance paid to the Applicant after receiving an award, is remitted to the Program in order to rectify a duplication of benefit.

Subrecipient: An applicant that has executed a CEA with OCD for a project to receive funding from the Non-Federal Cost Share Assistance Program.

Uniform Relocation Act (URA): A federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

Urgent Need Objective: Under the disaster recovery federal regulations, HUD has determined that an urgent need exists within the Presidentially Declared parishes. An urgent need exists because existing conditions pose serious and immediate threats to the health/welfare of the community, the existing conditions are recent or recently became urgent (typically within 18 months), and the sub-grantee or state cannot finance the activities on its own because other funding sources are not available. All Applicants who cannot meet the LMI National Objective are placed into the Urgent Needs category.

U.S. Department of Housing and Urban Development or HUD: : HUD is the agency that administers the Community Development Block Grant-Disaster Recovery and Mitigation funds made available to Louisiana from congressional appropriations.

Watershed: A watershed is a geographic area within the boundary of a drainage divide. The USGS defines a watershed as follows: "A watershed is an area of land that drains all the streams and rainfall to a common outlet such as the outflow of a reservoir, mouth of a bay, or any point along a stream channel".

V. OVERVIEW

INTRODUCTION

In response to the damage caused by the Great Floods of 2016 and other natural disasters that occurred across the nation in 2015, 2016 and 2017, the U.S. Congress, through Public Law 115-123, appropriated \$6.875 billion in Federal Fiscal Year 2017 funds for the **Community Development Block Grant Mitigation (CDBG-MIT)** program. Enacted on February 9, 2018, this law stipulates that these funds be used for the following mitigation efforts:

“...necessary expenses related to mitigation activities, as applicable, in the most impacted and distressed areas for which the President declared a major disaster in 2015, 2016, or 2017 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.)...”

HUD allocated \$1,213,917,000 of CDBG-MIT funds to the State of Louisiana for the purpose of mitigation activities as specified in Public Law 115-123 and FR-6109-N-02. As required by FR-6109-N-02, The State of Louisiana outlined actions, activities, and resources necessary to use the funds, including projects, data collection, modeling and policy measures that advance the LWI’s long-term resilience and mitigation objectives in the *State of Louisiana Master Action Plan for the Utilization of Community Development Block Grant Mitigation (CDBG-MIT) Funds* (Action Plan). The Action Plan was approved by HUD on February 20, 2020. The Action Plan is available at <https://www.doa.la.gov/doa/ocd/policy-and-reports/apa/louisiana-watershed-initiative-action-plans/>.

The Action Plan includes nearly \$100 million for a **Non-Federal Cost Share Assistance Program**. Through the Nonfederal Cost Share Assistance Program, the state supports local communities by providing non-federal cost share assistance for eligible programs including, but not limited to:

1. FEMA’s Hazard Mitigation Grant Program (25 percent non-federal cost share);
2. FEMA’s Nondisaster Hazard Mitigation Assistance (HMA) Programs, Flood Mitigation Assistance (FMA) and Pre Disaster Mitigation (PDM);
3. USDA’s National Resources Conservation Service (NRCS) grant programs; and/or
4. Any other federal programs requiring a non-federal cost share, as applicable.

In the initial launching phase of this program, the state has obligated CDBG-MIT funds to provide the non-federal match for the FEMA-funded Hazard Mitigation Grant Program (HMGP) award cost shares for both the DR-4263 (March 2016) and DR-4277 (August 2016) disasters.

AUTHORITY AND PURPOSE

The Office of Community Development is the grantee and administrator of CDBG-MIT funds for the state of Louisiana. In the event of a conflict between policies and procedures contained herein and the OCD’s CDBG Grantee Administrative Manual located at: <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>, the administrative manual will take precedence in the administration of awarded grants unless specifically noted otherwise in these policies or as required within Federal Register Notice Docket No. FR-6109-N-02, as may be amended or waived by HUD.

For CDBG-MIT funds, OCD undertakes the management of programs, reporting, and compliance measures. In general, the non-federal cost-share requirement may not be met with funds from other Federal sources; however, HUD has included authorizing language that explicitly allows CDBG-MIT to be used as a cost share for other Federal grants. In this case, the CDBG-MIT funds used to meet a non-Federal cost share requirement must meet the purpose and eligibility requirements of both CDBG-MIT as well as the program to be matched. As such, the implementation and provision of match or cost share funds generally requires the coordination with other state agencies and separate federal funding sources. OCD has the primary role to confirm that the expenditure of CDBG-MIT funds meets all of the associated HUD CDBG requirements per the allocating federal register notice and applicable guidelines. The partnering agencies maintain a role in ensuring compliances with other federal funds that are being matched, as applicable.

DOCUMENT OVERVIEW

This manual outlines Program policies and procedures that OCD and its partner agencies will use to manage the operation of the Non-Federal Cost Share Assistance Program including the application of the *global match* process. The objective is to describe how OCD will operate the program, including information on the affected projects, project selection and benefits, funding requirements, and program subrecipient obligations.

OCD maintains a *Disaster Recovery CDBG Grantee Administrative Manual* that provides guidance to subrecipients regarding the general requirements related to receiving CDBG-DR or CDBG-MIT funds. The Manual is generally applicable to any project receiving CDBG-DR or CDBG-MIT funds in whole or in part, as is applicable to this program. The Administrative Manual is located at:

<http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

VI. POLICIES AND PROCEDURES

SECTION 1: SUMMARY OF FEDERAL AND NON-FEDERAL COST SHARE RESOURCES

In implementation of the Non-Federal Cost Share Assistance Program, OCD will work with applicants to leverage disaster recovery resources provided by federal agencies with CDBG-MIT dollars. All Non-Federal Cost Share Match payments will be reimbursement-based payments for costs incurred. CDBG-MIT funds under the Non-Federal Cost Share Assistance Program can be applicable to several federal programs within both FEMA and other federal agencies. Utilizing the CDBG-MIT funds for the non-federal cost share requires a coordination between the state and relevant federal agency. The policies and procedures herein address the initial phase of the non-federal cost share program, which provides funding for HMGP allocations associated with the Great Floods of 2016 through a global match approach, however these policies and procedures are also applicable to the Non-Federal Cost Share Assistance Program as allocated toward the non-federal cost share of other programs, at the discretion of OCD. A selection of those potential programs is further described below. OCD may define additional policies and procedures related to non-federal match for those programs as applicable, and may add them to this document.

1.1. FUNDING SOURCES

The Non-Federal Cost Share Assistance Program enables OCD to leverage CDBG-MIT dollars with other federal disaster recovery funding sources. This section briefly describes a selection of other federal funding sources requiring match or cost share, including those where OCD may pursue a global match strategy.

1.1.1 FEMA

1.1.1.1 FEMA Hazard Mitigation Grant Program

FEMA HMGP funds are the primary hazard mitigation assistance provided by FEMA following disasters. This program is used to fund eligible mitigation measures that reduce disaster losses. FEMA HMPG funds, per the Stafford Act, are limited to covering 75% of eligible project costs, thereby requiring a match or cost share.

1.1.1.2 FEMA Public Assistance or PA Program

In federally declared disasters, FEMA provides grants to enable communities to address immediate post storm response, repair, recovery, and resilience needs while assisting individuals who need to leave their homes. The PA program generally requires a 25% match that can be reduced to 10% when a qualifying threshold as outlined in 44 CFR § 206.47 is met. In October 2020, HUD and FEMA jointly issued *Implementation Guidance for Use of Community Development Block Grant Disaster Recovery Funds as Non-Federal Cost Share for the Public Assistance Program* (Notice CPD-20-10). This guidance outlines a flexible match approach, which streamlines the administrative costs related to using CDBG funds to satisfy the non-federal cost share of PA Match projects. Using this approach FEMA or the PA applicant can group

sites/facilities, in a logical manner, into a single PW. This will allow applicants to consolidate costs paid with CDBG to as few facilities as possible. Using the flexible match approach requires early and ongoing coordination and communication to ensure both FEMA PA and HUD CDBG compliance.

1.1.1.3 FEMA Building Resilient Infrastructure and Communities or BRIC

The FEMA BRIC program is designed to support states and local communities as they undertake hazard mitigation projects, reducing the risks they face from disasters and natural hazards. The nonfederal match is expected to be 25%, with possible exceptions for smaller, low-income communities. A global match strategy may be applicable to this funding.

1.1.2 Other Federal Agencies

For certain, types of facilities, other federal agencies have the primary authority to provide disaster assistance in coordination with FEMA's disaster assistance.

1.1.2.1 Department of Transportation

The Department of Transportation oversees the Federal Highway Administration Emergency Relief Program or FHWA-ER. The FHWA-ER assists state and local governments with the repair of specific types of federal roads and bridges damaged during disasters. The U.S. DOT provides FHWA-ER funds to Louisiana through the State's Department of Transportation. Funds from this program are used only for facilities on routes identified by the FHWA as eligible to receive these funds and work must comply with US DOT and other Federal regulations. These funds may be provided to the State after a federally declared disaster and may require a match that can be met through an individual or global match strategy.

1.1.2.2 Environmental Protection Agency (EPA)

The Louisiana Department of Environmental Quality or LDEQ administers the EPA Clean Water State Revolving Fund or CWSRF, which provides low- or no-interest rate financing to construct water quality protection projects. As a part of the CWSRF, LDEQ administers the Storm Mitigation Loan Program or SMLP. This program provides funding to eligible municipalities to protect water treatment facilities from future storm events. The SMLP operates as a grant – loan program with a 25% grant and 75% zero-interest loan. OCD may work with LDEQ and eligible wastewater system operators to review a match strategy for these funds.

1.1.2.3 National Resources Conservation Service, U.S. Department of Agriculture

Following natural disasters, the NRCS Emergency Watershed Protection Program or EWP plays an important role in recovery. The EWP Program allows communities to quickly address serious and long-lasting damages to infrastructure and land. If funding becomes available through this program following a declared disaster, all funded projects must demonstrate that they reduce threats to life and property; are economically, environmentally and socially sound; and are designed to acceptable engineering standards, if applicable. The program may require a non-federal cost share or match and OCD may pursue a global match strategy.

SECTION 2: GENERAL REQUIREMENTS FOR NON-FEDERAL

COST SHARE ASSISTANCE PROGRAM

2.1 MITIGATION, NATIONAL OBJECTIVE AND ELIGIBLE ACTIVITY

Before any activity can be funded completely or in part with CDBG-MIT funds, it is determined whether the activity is eligible under Title I of the Housing and Community Development Act (HCDA) or otherwise eligible pursuant to a waiver or alternative requirement. Additionally, all projects receiving CDBG-MIT funds must meet a national objective in accordance with the general CDBG framework. Per CDBG regulations, a project does not meet a national objective until it is complete. These requirements apply to cost share or match projects, even if the majority of funds for the project are from another source.

2.1.1 Definition of Mitigation

All CDBG-MIT activities must meet the definition of mitigation. Mitigation activities are those 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.”

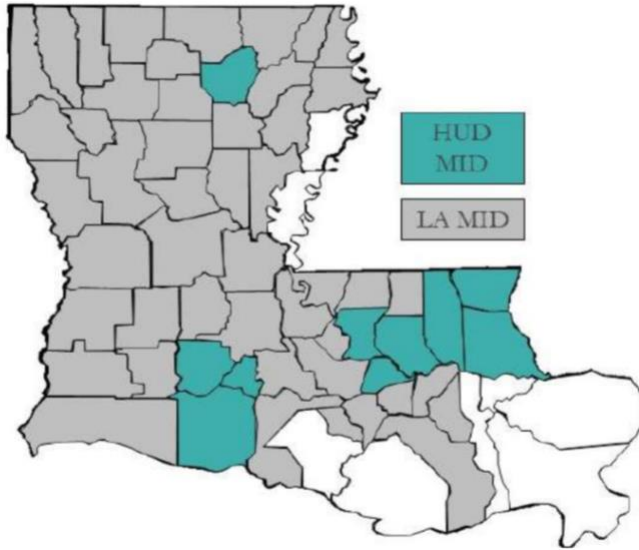
2.2 GEOGRAPHICAL ELIGIBILITY

The CDBG-MIT Action Plan identifies geographic eligibility as the areas identified by HUD as “most impacted and distressed areas” in FR-6109-N-02 and 46 additional most impacted and distressed areas from the Great Floods of 2016, all of which received federal disaster declarations (for individual assistance or IA or for public assistance or PA) resulting from either the March or August 2016 floods, otherwise known as “State-Identified MID areas” or “LA MIDs”. As required by FR-6109-N-02, the state will spend at least 50 percent of the CDBG-MIT funds to benefit HUD-identified MID areas or HUD MIDs. The remaining CDBG-MIT funds will be expended in or to the benefit of LA MIDs. A list of the parishes is shown below, and a map of the subject parishes is shown in Figure 1.

The specific parishes for the CDBG-MIT allocation are shown below.

- HUD Identified MID Areas (4263, 4277): HUD defined most impacted parishes: Acadia, Ascension, East Baton Rouge, Lafayette, Livingston, Ouachita, St. Tammany, Tangipahoa, Vermilion, and Washington

Louisiana Identified MID Areas: Allen, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, De Soto, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, LaSalle, Lafourche, Lincoln, Madison, Morehouse, Natchitoches, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, Union, Vernon, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn parishes **Figure 1. Parish MIDs Impacted by the 2016 Floods**



2.3 DUPLICATION OF BENEFITS

Mitigation activities may be funded from a variety of both public and private sources. Duplication of Benefits (DOB) occurs when financial assistance received from one source is provided for the same purpose as CDBG-MIT funds provided, in accordance with HUD DOB guidance, found at 84 FR 28836, June 20, 2019. All CDBG-MIT grantees are subject to the Declined Loan Provision. For CDBG-MIT grantees receiving an allocation because of disasters occurring in 2016 and 2017, a loan is not a duplication of other forms of financial assistance, if all Federal assistance is used toward a loss suffered because of a major disaster or emergency.

Per the subrogation clause in the subrecipient agreement, subrecipients must return to OCD any funds found to be a Duplication of Benefits, ineligible, unallowable, unreasonable, or non-compensable, no matter the cause. Under this clause, should a subrecipient receive CDBG-MIT funding to support an activity and subsequently receive outside funding that would render the CDBG-MIT funds a Duplication of Benefits, the duplicative CDBG-MIT funds must be returned to OCD.

OCD will work closely with other state and federal agencies to ensure that a duplication of benefits does not occur prior to a match payment being made. For the Non-Federal Cost Share Assistance Program, prior to funds being made available to applicants to begin work, the agencies conduct a duplication of benefits analysis. OCD as part of its Non-Federal Cost Share Assistance Program process will confirm that costs shown in each application are accurate and through technical assistance and monitoring of the projects will ensure that there is not additional duplication of benefits that have accrued to projects after work has begun.

2.4 MEETING A NATIONAL OBJECTIVE

All projects determined to be funded in whole or part with CDBG-MIT dollars must meet a national objective, including additional criteria for mitigation activities and covered projects.

To meet any national objective, all CDBG-MIT funded activities must:

- **Demonstrate the ability to operate for the useful life of the project.** Each grantee must plan for the long-term operation and maintenance of infrastructure and public facility projects funded with CDBG-MIT funds.
- **Be consistent with other mitigation activities.** The CDBG-MIT activity must be consistent with the other mitigation activities that the grantee will carry out with CDBG-MIT funds in the MID area. To be consistent, the CDBG-MIT activity must not increase the risk of loss of life or property in a way that undermines the benefits from other uses of CDBG-MIT funds in the MID area.

The CDBG-MIT regulations state that a project does not meet a national objective until it is complete. This will require the OCD and partnering agencies in the program to track each match project through completion and closeout phase.

2.4.1 National Objective Documentation and Records

Program records must demonstrate that funded activities meet one of the national objectives. Depending on the national objective, the files must contain, at a minimum, the specific documentation in the table below. This specified documentation may also be used in reporting performance measures information.

Required Documentation to Meet a National Objective

National Objective	Required Documentation
LMI Area	<ol style="list-style-type: none"> 1. Boundaries of service area. 2. Census data including total persons and percentage LMI. 3. Evidence area is primarily residential. 4. Survey documentation (if applicable).
Urgent Need Mitigation	<ol style="list-style-type: none"> 1. How the activity addresses the current and future risks as identified in the grantee’s Mitigation Needs Assessment of most impacted and distressed areas; 2. Results of measurable and verifiable reduction in the risk of loss of life and property.

2.5 MEETING AN ELIGIBLE ACTIVITY

All CDBG-MIT funded activities must be CDBG-eligible under Title I of the Housing and Community Development Act of 1974 (HCDA) or otherwise eligible pursuant to a waiver or alternative requirement. HUD allows grantees to use CDBG-MIT funds to support match payments as long as the funded project can meet the Non-Federal Share requirement of the lead agency and tie to at least one additional HUD eligible activity.

For a detailed overview of all Community Development Block Grant eligible activities, please refer to Title 24: Department of Housing and Urban Development Part 570 – Community Development Block Grants Subpart C – Eligible Activities. General eligible activity approval in the CDBG-MIT Action Plan is HCDA 105(a) 9.

2.6 TIMELY EXPENDITURE OF FUNDS

As per FR-6109-N-02, fifty percent of the allocated CDBG-MIT funds must be expended on eligible activities within six years of HUD's execution of the grant agreement and one hundred percent of its allocation within twelve years of HUD's execution of the grant agreement, absent a waiver and alternative requirement as requested by the grantee and approved by HUD. The Action Plan outlines a goal of expending 50 percent of CDGB-MIT funds by program year 5 and 100 percent of program funds by year 10.

All CDBG-MIT funds must be expended before the end of the period of performance in the subrecipient grant agreement. The subrecipient determines the timeline based on agreements with contractors. Incorporating project milestones, drawdown schedules, and reporting provisions into subrecipient contracts will ensure timely performance.

2.7 PROGRAM INCOME

All program income must be remitted to the state.

2.8 INFRASTRUCTURE REQUIREMENTS

Per FR-6109-N-02, an infrastructure project is defined as an activity, or a group of related activities, designed by the grantee to accomplish, in whole or in part, a specific objective related to critical infrastructure sectors such as energy, communications, water and wastewater systems, and transportation, as well as other support measures such as flood control. This definition is rooted in the implementing regulations of the National Environmental Policy Act or NEPA at 40 CFR part 1508 and 24 CFR Part 58. Further, consistent with HUD's NEPA implementing requirements at 24 CFR 58.32(a), a grantee must group together and evaluate as a single infrastructure project all individual activities which are related to one another, either on a geographical or functional basis, or are logical parts of a composite of contemplated infrastructure-related actions. For consideration as a Related Infrastructure Project, and consistent with 40 CFR part 1508, infrastructure projects are "related" if they automatically trigger other projects or actions, cannot or will not proceed unless other projects or actions are taken previously or simultaneously, or are interdependent parts of a larger action and depend on the larger action for their justification.

2.8.1 Multi-Hazard Risk Analysis

FR-6109-N-02 required grantees to conduct a multi-hazard risk assessment to inform projects and programs. OCD has outlined this Risk Assessment in their Action Plan and will confirm compliance with this analysis for all infrastructure projects, including those selected under the cost share program.

2.8.2 Green Infrastructure

Per FR-6109-N-02, grantees are encouraged to develop a process to incorporate nature-based solutions and natural or green infrastructure in the selection and/or design of CDBG-MIT projects. Each grantee is encouraged to describe how it will consider natural infrastructure during the project selection process (e.g., alternatives and benefit-cost analysis); or propose projects and programs in the action plan that incorporate natural infrastructure.

Natural or green infrastructure is defined as the integration of natural processes or systems (such as wetlands or land barriers) or engineered systems that mimic natural systems and processes into investments in resilient infrastructure, including, for example, using permeable pavements and amended soils to improve infiltration and pollutant removal.

2.9 GENERAL ELIGIBILITY MONITORING AND COMPLIANCE OVERSIGHT

2.9.1 Subrecipient Policies and Procedures

OCD works with subrecipients to determine whether certain required critical subrecipient policies and procedures are in place and in compliance with legal and/or regulatory requirements. OCD provides subrecipients with templates and/or technical assistance to assist in adopting or amending any required policies or procedures. Examples include:

- Review of Procurement Policy (to ensure HUD compliant language exists);
- Review of Pre-Construction and Construction Bid Document Packages;
- Review of Section 504 Policy and Grievance Procedures, if required;
- Review of Affirmative Action Plan;
- Review of HUD required file management and record keeping requirements; and/or
- Review of HUD required Section 3 Plans and Outreach Strategies (as applicable).

2.9.2 Subrecipient Procurement

Subrecipients must follow federal, state, and local procurement rules when purchasing services, supplies, materials or equipment. The procurement requirements found at 2 CFR Part 200.317 to 200.326 apply to all subrecipients for the procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services. The requirements under 24 CFR 570.489, 24 CFR 85.36 for local governments establish standards and guidelines. Subrecipients must also follow applicable conflict of interest provisions in federal, state, and local regulations. If a real or perceived potential conflict of interest is identified, subrecipients must contact OCD for further guidance.

To help assure that subrecipients' procurement will comply with regulations, OCD provides subrecipients with TA as well as RFP procurement templates and a checklist to help develop procurement documents that comply with federal regulations. OCD will also provide procurement TA consisting of:

- Review of at 2 CFR Part 200.317 to 200.326 procurement requirements related to competitive proposals and small purchases;
- Review of existing subrecipient procurement policies and procedures for compliance with 2 CFR 200. To the extent policies are out of compliance with those regulations, technical assistance on coming into compliance will be provided; and

- Review of subrecipient procurement documents, with TA as necessary.

2.9.3 CDBG-MIT Compliance Review

In addition to meeting a national objective, applicants, as mandated by HUD, must satisfy and maintain records of several areas of compliance. OCD will review the files for completion and compliance in the areas listed below.

For a comprehensive understanding of the CDBG-MIT and federal crosscutting requirements, please refer to the Disaster Recovery CDBG Grantee Administrative Manual:

<https://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

2.9.3.1 Financial Management

Applicants are required to comply with the cost principles of 2 CFR part 200, subpart E, including as applied to:

- Recorded amounts budgeted for eligible activities, as well as encumbrances and obligations when contracts are executed, purchase orders issued, etc.;
- Maintaining source documentation;
- Detailed chart of accounts and accounting records for all grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income;
- Effective internal controls; and
- Single audits completed on an annual basis.

2.9.3.2 Procurement

Applicants must adopt a procurement policy in conformance with federal requirements. Policy must address topics including, but not limited to, code of conduct, an effort to hire minority and/or women owned businesses, procedures to resolve disputes, etc. [2 CFR Part 200.317 to 200.326].

For additional information and more details, please see Section 6 – Procurement Methods and Contractual Requirements in the OCD Grantee Administrative Manual at:

<http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

2.9.3.3 Fair Housing and Equal Opportunity

- a. **Fair Housing:** Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

- b. **Title VI of the Civil Rights Act of 1964:** Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- c. **Equal Opportunity:** Actions must be undertaken to assure equal employment opportunity to all persons regardless of race, color, national origin, sex or disability [24 CFR 570.506 (g)(3)].
- d. **Section 3:** The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. [24 CFR Part 75].
- e. **Section 504:** Section 504 provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The program participant must have a formal, written grievance procedure for resolution of complaints alleging discrimination based on disability [24 CFR 8.52(b)].

For further guidance, please see Section 8 Civil Rights of the Disaster Recovery CDBG Grantee Administrative Manual, available at: <https://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

2.9.3.4 Labor

Davis Bacon [40 USC 276(a) 276(a) 7], Copeland “Anti-Kickback” [40 USC 276(c)], and other state and local laws are to be used when enforcing labor standards. These include:

- a. **The Davis-Bacon Act (DBA):** The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.
- b. **The Copeland Act:** The Copeland Act makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally- assisted project) to kickback (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer (contractors and subcontractors) to submit weekly-certified payroll reports (CPRs) and regulates permissible payroll deductions.

For further guidance, please see Section 7: Labor Regulations of the Disaster Recovery CDBG Grantee Administrative Manual, available at: <https://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

2.9.3.5 Elevation Standards

Elevation standards apply to new construction, repair of substantial damage, or substantial improvement. The following elevation standards apply to new construction, repair of substantial

damage, or substantial improvement of structures to mitigate risks identified in a grantee's Mitigation Needs Assessment, when those structures are located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1)12.

All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for new construction, repair of substantial damage or substantial improvement as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement at least 2 feet above the base flood elevation. Alternatively, grantees may choose to adopt the design flood elevation standards of ASCE-24 if it results in an elevation higher than 2 feet above base flood elevation. Mixed-use structures with no dwelling units and no residents below 2 feet above base flood elevation must be elevated or flood proofed, in accordance with FEMA flood proofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least 2 feet above base flood elevation.

Nonresidential structures must be elevated to the standards in the FRN (Page 112-113) or flood proofed in accordance with FEMA flood proofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least 2 feet above the 100-year (or 1 percent annual chance) floodplain and may include using structural or nonstructural methods to reduce or prevent damage; or, designing it to adapt to, withstand and rapidly recover from a flood event.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 500- year (0.2 percent annual chance) floodplain must be elevated or flood proofed (in accordance with the FEMA standards) to the higher of the 500-year floodplain elevation or 3 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 structure must be elevated or flood proofed at least 3 feet above the 100-year floodplain elevation. Critical Actions are defined as an "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, police stations, fire stations and principal utility lines.

2.9.5 CDBG-MIT Monitoring Plan

OCD has established a Monitoring Plan to ensure that all programs and projects comply with applicable federal, state, and local regulations and effectively fulfill the goals set forth in the Action Plan and Amendments. OCD must ensure compliance with the HUD regulations, which may include but are not limited to: Record Keeping, Administrative and Financial Management, Environmental Compliance, Citizen Participation, Conflict of Interest, Procurement, Davis-Bacon Labor Standards, Diversity and Civil Rights regulations (Minority and Women's Business Enterprise, Section 3, Fair Housing, Limited English Proficiency, and American with Disabilities Act), Property Acquisition and Management, Displacement, Relocation, and Replacement.

The Monitoring Plan serves to identify risks, deficiencies, and remedies relating to OCD directly administered programs, administrative and financial management, and programs administered via OCD subrecipients. The Monitoring Plan seeks to accomplish the following objectives:

- To determine if a subrecipient is carrying out its obligations, and its activities as described in the Action Plan for CDBG-MIT assistance and its related Subrecipient Agreement (CEA).
- To determine if a subrecipient is carrying out its activities in a timely manner, in accordance with the schedule included in the Agreement.
- To determine if a subrecipient is charging costs to the project that are eligible under applicable laws and CDBG-MIT regulations, and reasonable in light of the services or products delivered.
- To determine if a subrecipient is conducting its activities with adequate control over program and financial performance, and in a way, that minimizes opportunities for waste, mismanagement, fraud, and abuse.
- To assess if the subrecipient has a continuing capacity to carry out the approved project.
- To identify potential problem areas and to assist the subrecipient in complying with applicable laws and regulations.
- To assist subrecipient in resolving compliance problems through discussion, negotiation, and Technical Assistance and training.
- To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by subrecipient, and not repeated.
- To comply with the federal monitoring requirements of 24 CFR 570.501(b) and with 2 CFR 200.328 and 2 CFR 200.330-332, as applicable.
- To determine if any conflicts of interest exist in the operation of the CDBG-MIT program per 24 CFR 570.611.
- To ensure that required records are maintained to demonstrate compliance with applicable regulations.

Consistent with HUD requirements, OCD conducts risk assessments on all entities being monitored, including all programs, contractors, and subrecipients in order to identify the appropriate level of monitoring, including the frequency and depth of review. Entities being monitored are assessed on a scale ranging from low risk to medium risk to high risk. Depending on the results of the risk assessment, OCD conducts levels of monitoring commensurate with the level of risk assessed. In general, the levels of monitoring range from desk auditing, to on-site monitoring, to integrity monitoring. OCD makes necessary adjustments in its monitoring plan based on the most current information, data, and analyses available. Any risks and deficiencies identified result in a request for timely corrective action from the entity being monitored. OCD provides Technical Assistance (TA) to all entities being monitored in order to facilitate compliance with all applicable federal, state, and local regulations. Refer to the “Monitoring and Compliance section of the Administrative Policy Manual” for additional guidance and protocols.

SECTION 3: PROJECT IMPLEMENTATION PROCEDURES

The table below displays the major actions occurring in each phase of project implementation. For projects under the CDBG-MIT funding Non-Federal Cost Share Assistance Program. The following sections discuss implementation procedures in detail.

Phases of Non-Federal Cost Share Assistance Program Implementation

Phase	Action
Project Development Phase	Cooperative Endeavor Agreement (CEA) executed.
	A/E procured if not previously procured.
	Environmental review completed (every activity requires an ERR)
	NOTE: NO CHOICE LIMITING ACTIONS SHOULD BE TAKEN BEFORE ERR IS COMPLETED.
	Plans and specifications are reviewed for conformity with application and accepted.
	Property, rights of way, permits, etc. acquired by subrecipients.
	Environmental review record approved and formal “Release of Funds” for construction letter sent.
	Subrecipient agreement amended for changes in scope or budget amended (if required).
Bidding/Pre-Construction Phase	Authorization to proceed to advertise for bids issued.
	Approve invoices.
	Approval of addendums issued during bidding phase (if required).
	Approval of change orders (if required).
	Respond to labor compliance issues.
Construction Phase	Subrecipient agreement amended for changes in scope or budget (if required).
	Subrecipient reporting on Davis-Bacon.
	Change orders reviewed.
	Project acceptance verified.
Monitoring Phase	Record drawing verified.
	Subrecipient continues to report on Section 3, Davis-Bacon, and other OCD requirements.
	Periodic project site visits are conducted to interview employees.
	Desk review of subrecipient documents conducted.
	Onsite monitoring of subrecipient records conducted.
	Monitoring letter issued.
Closeout Phase	Subrecipients respond to monitoring concerns and findings, with assistance from OCD staff.
	Clearance of monitoring findings issued.
	Program completion report completed.
	Certificate of completion issued.
	Project closed out.

3.1 PROJECT IMPLEMENTATION SUMMARY

Selected projects for the Non-Federal Cost Share Assistance Program may be different stages of preparation and approval. The status of a project is a key factor in determining how it will be treated in the CDBG-MIT Non-Federal Cost Share Program, specifically what will be funded with CDBG-MIT, as well

as the federal requirements that the project must adhere to.

3.2 SUBRECIPIENT RESPONSIBILITIES

Subrecipients provide day-to-day administrative management and oversight of CDBG-MIT funded match projects. Subrecipients are responsible for establishing and maintaining financial accountability for CDBG-MIT funds, and complying with CDBG-MIT regulations, and establishing and maintaining project files and records.

3.2.1 Subrecipient Assessment

For the Non-Federal Cost Share Assistance Program, OCD may review a subrecipient's prior experience with federal awards, completing an initial assessment of each subrecipient. This assessment assists OCD in determining the level and kind of technical assistance that may be needed for a subrecipient.

3.2.1.1 Assessment Criteria

Subrecipients may be requested to provide demonstration of the following:

- Prior experience with executing CDBG, CDBG-DR or other federal funded projects including but not limited to knowledge and prior experience with the following:
 - Cost principles and requirements of 2 CFR Part 200, Subpart E;
 - Documentation that the project meets a CDBG National Objective; and
 - Documentation that the project's expenditures are for CDBG Eligible Activities.
- Staff capacity to effectively manage CDBG-MIT grants, including but not limited to:
 - Capacity to perform financial monitoring and oversight;
 - Capacity to perform grants management functions with in-house staff or with a grants management consultant;
 - Internal auditing capability;
 - Administrative staffing; and
 - Knowledge of both federal and state procurement and contracting requirements.
- Knowledge and experience in financial management of Federal grant funds, specifically of CDBG funds; and the ability of financial systems to meet all state and federal requirements including but not limited to:
 - Accounting methods, and budget controls;
 - Monitoring and controls of timely expenditure of Federal funds;
 - Compliance with 2 CFR Part 200;
 - Completion and results of prior A-133 audits, if applicable; and

- Completion and results of any other audits as it relates to financial capacity.
- Experience, knowledge, and compliance with other Federal regulations as it applies to the grant including, but not limited to, the following requirements:
 - Davis Bacon and all labor standards, Section 3, M/WBE, environmental, lead based paint, Civil Rights, Section 504, Uniform Relocation Act, Fair Housing Act, ADA, Age Discrimination Act, and records management.

3.3 CONTRACTUAL AGREEMENT

Once the applicant has submitted a Program Application to OCD for the Non-Federal Cost Share Assistance Program and OCD has completed an eligibility review, OCD staff will work with the subrecipient staff to execute a Cooperative Endeavor Agreement (CEA) with OCD for project funding under the Non-Federal Cost Share Assistance Program. The CEA serves as the mechanism for transfer of funds to the subrecipient, and documents what is required to remain in compliance with all federal, state and local laws as applicable.

The award determination for CDBG-MIT funds takes into consideration all other funding sources and deduct all funds that could be considered a duplication of benefits (DOB) including insurance proceeds and other federal disaster recovery grant funds. As part of the application process, each subrecipient submits a form detailing all funds received for a project. The subrogation clause in the CEA ensures that DOB does not occur.

For projects receiving CDBG-MIT funding for multiple project phases (i.e. planning, design, and construction), individual amendments may be utilized for each phase. Each amendment will include the scope and budget of the applicable phase. Should scope and budget change significantly during construction, OCD will consider change orders on a case-by-case basis.

3.4 PROJECT DEVELOPMENT (PHASE I)

Phase I, or project development phase, is the initial build out and design of the project. In the project development phase, OCD provides technical assistance to subrecipients so that subrecipients remain in compliance with all requirements through the life of the project including the project development phase.

The following steps are taken in the project development phase:

1. Engagement of A/E professionals to design project if not previously procured.
2. Development of project design by A/E professionals.
3. Preparation of the bidding documents for construction by subrecipients.
4. Acquisition of real property, rights of way, permits, by subrecipients.
5. Obtainment of federal wage decisions and state wage decisions by subrecipients.
6. Preparation of the environmental review record by FEMA.

7. Authorization of the subrecipient to proceed to bidding/contract award by OCD.
8. Creating and initiating Section 3, MWBE outreach strategies and plans for the project

3.4.1 Technical Assistance to Subrecipients

To assist subrecipients in complying with all CDBG-MIT regulations and any OCD policies, as well as to build capacity, OCD staff (and GOHSEP staff where necessary) provide subrecipients with necessary technical assistance (TA) throughout the life cycle of the project.

As the participants notify OCD that a new project is starting the procurement process, the OCD Program team will facilitate a one-on-one meeting as part of a “pre-construction” conference, with the subrecipient, to include contractors and subcontractors if requested.

OCD’s technical assistance is included but not limited to the following areas:

- CDBG-MIT National Objective Compliance;
- CDBG-MIT Eligible Activity Compliance;
- Financial Management and reporting;
- General Record Keeping Requirements;
- Procurement;
- Environmental Requirements;
- Cross Cutting and other federal requirements such as:
 - a. FHEO Requirements
 - b. Section 3
 - c. Section 504
 - d. Compliance with the American Disabilities Act of 1990
 - e. EEO
 - f. Labor Standards including Davis Bacon

3.4.2 Development of Scope, Budget and Schedule

As part of Program application, subrecipients are required to produce and include in their application a detailed project description, cost estimate, and project schedule. The cost estimate may include project costs, project delivery costs, and administrative costs. The Program will coordinate and communicate with the subrecipient on whether project delivery and administrative costs are to be provided to supplement the grant or if these costs are included in the project amount.

3.4.2.1 Project Delivery Costs

Project delivery costs are expenses incurred by grantees while implementing and carrying out eligible CDBG activities. In general, only subrecipient administrative and project delivery costs incurred after the acceptance of a project application by OCD and execution of a CEA are eligible for reimbursement. The Program will coordinate and communicate with the subrecipient on whether project delivery and administrative costs are to be provided to supplement the grant or if these costs are included in the project amount. While OCD may provide subrecipients with up to 15% percent of the cost of a project for subrecipient project delivery costs, depending on the type of project, a subrecipient must submit a detailed justification and budget for all requested administrative and project delivery services as part of the project application. Examples of project delivery costs include costs to supplement a grantee’s single audit, costs associated with environmental clearance, newspaper advertisements, and grant management costs. Costs must not be duplicative of services provided by OCD or any other state or federal agency through their staff or consultants. All proposed subrecipient administrative and project delivery costs must be determined to be allowable, allocable, and reasonable during the project application review process.

3.4.2.2 Grant Management Costs

Grant Management costs are tied to specific grant requirements and should be estimated according to the total grant request for the application and included in the application budget. The maximum allowable grant management cost per project shall be less than or equal to the caps as outlined in the below table. The grant management cap is inclusive of all grant management services including but not limited to administrative oversight, program reporting, scheduling, document management, review, technical assistance, and consultation as required to continue accomplishing the objectives of the project development through program closeout phases as described in the current CDBG Grantee Administrative Manual. The applicant must demonstrate the reasonableness of the costs. Justification based solely on the fact that the fees are within the amount allowed by OCD is not adequate.

Total CDBG-MIT Project Award	Grant Management Cap Amount
\$500,000 - \$749,999.99	\$50,000.00
\$750,000 - \$1,499,999.99	\$60,000.00
\$1.5 million - \$2,499,999.00	\$80,000.00
\$2.5 million - \$5,999,999.99	\$100,000.00
\$6 million - \$9,999,999.99 million	\$120,000.00
\$10 million - \$19,999,999.99 million	\$140,000.00
\$20 million - \$30 million*	\$160,000.00

**For total project award costs exceeding \$30 million, the applicant is required to submit a request to OCD for grant management fee approval.*

Applicants may choose to use their own staff to conduct grant management activities, procure a third-party grant administrator or a combination of the two.

3.4.2.3 Professional Design and Construction Management Costs

Professional design costs for Basic Services or Additional Services may be eligible for reimbursement up to the established fee schedule established by State of Louisiana Office of Facility Planning and Control included and included herein within **Appendix A**. This fee schedule is updated annually and updates will be accounted for and applicable to projects and programs receiving CDBG-MIT funds. Grantees must account for all design and management costs within professional design and management cost budgets and not categorize these expenses as project *delivery* costs. Architectural/ Engineering fees—including those provided under either a fixed price contract or cost reimbursement contract—must be cost reasonable and justifiable. Sole justification that the fees are within the amount allowed by OCD is not adequate, and design contracts priced based on a percentage of project cost are prohibited.

Basic Services

Basic Services under a contract for professional design services may include costs for design services and related costs determined by OCD to be included within Basic Services.

Additional Services

Additional Services as part of a professional design contract may include laboratory testing services, recordation fees, advertisement for bids, environmental assessments, hydrologic and hydraulic studies, traffic studies, wetlands permitting, surveys, geotechnical investigations, construction observation, builders risk insurance and similar costs determined by OCD to be allowable. OCD reimbursement for Additional Services cannot exceed 5% of the construction cost. OCD may pay Additional Services in excess of the 5% cap only upon review of justification submitted by the project architect or engineer.

3.5 ENVIRONMENTAL REVIEW

CDBG-MIT funding is contingent upon compliance with both state and federal environmental regulations. This includes compliance with the National Environmental Policy Act or NEPA and related environmental and historic preservation legislation and executive orders. Environmental reviews will be completed as part of the deliverables of Phase I, or prior to approval for Phase II.

CAUTION: IF AN APPLICANT TAKES A CHOICE LIMITING ACTION (SUCH AS ENTERING A BINDING CONTRACT) BEFORE THE ENVIRONMENTAL REVIEW IS COMPLETED, IT CAN RENDER THE ENTIRE PROJECT INELIGIBLE FOR CDBG FUNDING.

For additional information please see Section 9 – Environmental Review in the OCD Grantee Administrative Manual at: <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

3.5.1 OCD Environmental Review Process

HUD's Environmental Review Procedures allow the state grantees to serve as the "Responsible Entity" to

assume environmental review responsibilities under NEPA. In accordance with 24 CFR Part 58 and pursuant to the State's Grant Agreement with HUD, OCD has a Certifying Officer who approves environmental review documents. The OCD Certifying Officer is ultimately responsible with certifying that FEMA's environmental reviews are in compliance with NEPA and HUD environmental regulations and approving the Release of Funds.

3.5.2 Other Agency Environmental Review

In accordance with Public Law 115-123, when a grantee uses CDBG-MIT funds to supplement federal assistance provided under Section 402, 403, 404, 406, 407, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) the grantee may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the grantee with respect to environmental review. OCD informed HUD that the state will utilize this provision for the Non-Federal Cost Share Assistance Program, relying on the FEMA environmental review.

To document the environmental review process, OCD will maintain a letter adopting FEMA's environmental review process, along with the FEMA environmental review record (REC). The grantee must notify the State that another Federal agency review is being used. The notification must be stated on a Request for Release of Funds (RROF) Form 7015.15. The RROF must indicate that another Federal Agency's review is being adopted and include the name of the other Federal Agency, the name of the project and the date the project's review was prepared by the other Federal Agency.

An example of the environmental adoption of other entity reviews and a sample RROF are included in Appendix C.

3.6 PRECONSTRUCTION/CONSTRUCTION SERVICES BIDDING (PHASE II)

Once project development is complete, subrecipients may move into the pre-construction and construction phases. OCD will continue to provide technical assistance to subrecipients so that projects remain in compliance with all requirements through the life of the project.

3.6.1 Preconstruction Phase

Pre-construction includes the procurement of construction services and the development of the construction contract that includes all reporting and compliance requirements the contractor will be expected to meet for the project.

In the preconstruction phase, subrecipients, their contractors, OCD Program staff, and GOHSEP staff meet to discuss CDBG-MIT requirements including:

- Section 3/EEO;
- Labor standards;
- Payroll reporting;
- Project signs;

- Payment procedures;
- Inspection reports by project A/E and/or construction manager;
- Change orders.

At the conclusion of the preconstruction conference, the subrecipient receives a notice to proceed.

3.6.2 Construction Services Bidding

OCD issues a notice allowing the subrecipient to advertise for bids following the completion of:

- OCD review of plans and specifications,
- Environmental clearance of proposed construction activities,
- Verification that all lands, rights-of-way and easements have been acquired, and
- Verification that all other program requirements have been met.

After authorization to advertise for bids has been issued, the subrecipient may proceed with public advertising for bids in accordance with federal, State, and local procurement standards. Generally, under Louisiana law, local governments are required to advertise for competitive bids for contracts for public work in excess of \$250,000. The contract should be awarded to the lowest priced responsible bidder that has complied with the specifications. In some cases, the lowest bid received will exceed the amount of funds allocated for the project. When this happens, the subrecipient must contact OCD to determine the best option to proceed.

The process for project bidding is:

1. OCD provides notice of approval for release of bid.
2. Subrecipient advertises for bids.
3. Subrecipient procures construction contractor with OCD technical assistance.
4. OCD reviews bid process and contract award.
5. Construction contract is executed.

Upon completion of bidding, subrecipients enter the preconstruction phase, which focuses on the subrecipients' understanding of CDBG-MIT compliance. During this phase specific pre-construction and construction phase Technical Assistance is provided to keep subrecipient projects HUD CDBG-MIT eligible. All projects may not proceed to construction until environmental review is complete.

3.7 CONSTRUCTION PHASE

In the construction phase, subrecipients are monitored by OCD program staff to ensure compliance with all applicable CDBG-MIT regulations, particularly:

- Labor standards
- Section 3
- EEO

- Financial management

3.7.1 Substantial Change Order

If a change to the project is necessary during construction, subrecipients must submit the preliminary construction change order to OCD program staff for review. OCD then reviews the requested change order to ensure that all costs and changes are HUD eligible and procured according to CDBG-MIT requirements including:

- Sufficient grant or local funds are available to meet any increased costs;
- Documentation that all items listed on the change order were reviewed for price reasonableness;
- Documentation that all items listed on the change order are included in the scope of the environmental review record; and,
- Documentation that all items listed on the change order are within the scope of the approved application.

If a change of scope or cost occurs after application approval, but before construction begins OCD will issue an application amendment.

3.7.2 Payment

This section discusses CDBG-MIT Non-Federal Cost Share Assistance Program payments, which follow the program administrative procedures.

3.7.2.1 Subrecipient Payment

All subrecipient payments are expended on a reimbursement-based payment process. “Reimbursement-based” means that project costs must be incurred by subrecipient and documented as required by the terms of the CEA for payment of invoices as per the payment terms in the CEA. The subrecipient submits a draw request form. OCD reviews and approves the form. Prior to receiving payment, all required reporting must be completed. Subrecipients may request advances for work based on anticipated cash flow needs and capacity by project in consultation with OCD.

3.7.2.2 Final Payment

The subrecipient must submit a final report to OCD after the project work has been completed. GOHSEP will perform a final inspection of the completed project as specified in the grant agreement. A joint OCD/FEMA inspection will be conducted when possible.

SECTION 4: MONITORING PHASE

Subrecipients are monitored throughout implementation by OCD. Monitoring is done to ensure compliance with applicable State and Federal requirements. Key areas subrecipients are monitored in are:

- Approved project is being constructed and implemented in a manner that is consistent with

application and public procurement process

- Approved activities are carried out and completed in a timely manner;
- Activities and certifications are conducted in accordance with the requirements and the primary objectives of the approved application, subrecipient agreement, program requirements, and other applicable state and federal rules, regulations, policies, and related statutes; and
- Administrative systems, policies, and procedures provide adequate protection for the prevention and mitigation of fraud, waste, and abuse.

In addition, throughout implementation, GOHSEP staff conduct reviews to identify weaknesses. Technical Assistance is provided throughout the implementation phase to ensure that subrecipients have the continuing capacity to carry out approved project and activities.

4.1 PROGRAM MONITORING AND COMPLIANCE

For the Non-Federal Cost Share Assistance Program, OCD will work closely with all agencies funding projects in the Non-Federal Cost Share Program to address changes and findings for projects funded with these mitigation resources. Once program applications are confirmed completed and reviewed by all relevant agencies with a match reimbursement payment made, the Non-Federal Cost Share Assistance Program team will conduct a combination of remote monitoring and on-sight monitoring.

The goals of monitoring include, but are not limited to:

- Determining whether a subrecipient is carrying out its CDBG-MIT program or project in compliance with program policy and procedures and laws;
- Determining whether a subrecipient is carrying out its activities in a timely manner so that projects will be completed to meet HUD spending deadline;
- Identifying potential problem areas and assisting the subrecipients in complying with applicable laws and regulations;
- Assisting subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training; and
- Ensuring that required records are maintained to demonstrate compliance with applicable regulations.

To ensure that all statutory and regulatory requirements are met for activities using HUD funds, OCD uses various monitoring standards and procedures, and issues corrective action and technical assistance where deficiencies are noted.

4.2 MONITORING PROCEDURES

Please reference Section 12- Monitoring of the Grant Administrative Manual for full monitoring procedures: <https://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

SECTION 5 RECORDKEEPING AND REPORTING

5.1 RECORDS MANAGEMENT

OCD established record keeping and retention requirements in accordance with the guidelines established in 24 CFR 570.503(b) (2). For OCD, documentation must be maintained for a minimum of five years after project close-out and be available to OCD or HUD for review and monitoring upon request. OCD will notify the grantee when the five-year retention period begins. A sample checklist with major file categories to be maintained along with a list of materials that should be kept in each file can be found in the OCD Grantee Administration Manual Section 4-Records Management.

For additional information, please see Section 4 – Records Management OCD Grantee Administrative Manual at: <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>.

5.1.1 IGX Grant Management Software

OCD uses IGX to store and maintain the required documentation for the Non-Federal Cost Share Assistance Program. The system was also built to efficiently review FEMA applications and assess the eligible scope of work in concert with the regulations for CDBG-MIT Funding. IGX serves as the official system of record for all application reviews and associated processes for a complete funding recommendation.

SECTION 6: FEMA HMGP NON-FEDERAL COST SHARE ASSISTANCE PROCEDURES

FEMA's HMGP, as guided by Section 404 of the Stafford Act, makes funding available to state, local, tribal and territorial governments after a disaster so they can rebuild in a way that reduces, or mitigates, future disaster losses in their communities. The intent of FEMA's HMGP grant funding is to reduce the risk of future damage, hardship, loss or suffering as a result of major disasters by providing financial support to implement cost-effective hazard mitigation measures. These measures are to be identified as a part of the mitigation planning process required by the state and local governments as a condition to receiving certain federal disaster assistance. Additionally, the mitigation grant program can be used to fund mitigation planning activities.

6.1 SUMMARY OF HMGP ASSISTANCE FOLLOWING THE 2016 FLOODS

Pursuant to 44 CFR §13.24 the Federal government has established the Federal cost share for HMGP funds as 75 percent of total HMGP funding. The all or a portion of the remaining funding is matched from non-federal sources, which may include a variety of funding sources, including CDBG-MIT funding, per 42 U.S.C. 5305(a)(9). The amount of funding available to the state in HMGP funds after a disaster is directly correlated to the amount of eligible expenses associated with and approved through the FEMA Public Assistance (PA) and Individual Assistance (IA) Programs.

The state has determined to pursue a **global match** strategy for the 2016 Floods disasters (DR-4263 and DR 4277)². When using global match, the non-Federal cost share does not need to be 25 percent for

² See the State of Louisiana Hazard Mitigation Plan "Administrative Guidelines and Procedures", November 2019. Administrative Plan Amendment approved by FEMA on June 6, 2020 for DR-4263 and DR-4277.

each individual project, rather the non-Federal cost share for all of the state’s submitted projects combined must equal 25 percent for the overall disaster. The state’s estimated match requirements for HMGP are:

	HMGP Award	Cost Share
<i>DR-4263 (March 2016)</i>	\$28,992,576	\$9,664,192
<i>DR-4277 (August 2016)</i>	\$261,971,744	\$87,323,915
Total	\$290,964,320	\$96,988,107

The Non-Federal Cost Share Assistance Program will work with applicants to ensure that FEMA HMGP funds provided to entities in Louisiana are leveraged with CDBG-MIT dollars. All Non-Federal Cost Share Assistance Program payments will be reimbursement-based payments for cost incurred.

The CDBG-MIT Non-Federal Cost Share Assistance Program allocation is intended to cover the non-federal cost share of the HMGP for the two disasters noted. As program funds remain, additional match or cost programs may be applied.

6.1.1 HMGP Eligibility Requirements

All projects approved through the Hazard Mitigation Grant Program must meet all eligibility requirements in 44 CFR §206, Subpart N as outlined below. Any HMGP project being funded in whole or in part by CDBG-MIT dollars under this Program must meet the below HMGP criteria and CDBG-MIT eligibility criteria.

HMGP Criteria Summary

HMGP Criteria Summary	
<input type="checkbox"/>	The activity conforms to the State's Hazard Mitigation Plan
<input type="checkbox"/>	The project has a beneficial impact on the disaster area, i.e. the state
<input type="checkbox"/>	The project meets the necessary environmental requirements
<input type="checkbox"/>	The project is autonomous of other projects, solving a problem independently
<input type="checkbox"/>	The project is considered cost-effective

While HMGP grants are provided to individual communities and eligible entities, the Governor’s Office of Homeland Security and Emergency Management (GOHSEP) is considered to be the applicant, or grantee, of HMGP funds as they are the state’s responsible entity for the administration and management of the Hazard Mitigation Grant for disasters. Similar to OCD’s relationship with HUD, GOHSEP determines the funding awards to subrecipients and ensures that projects are in compliance with FEMA requirements under the HMGP in Louisiana.

For this program and in support of the overall LWI, OCD works in close coordination with GOHSEP to review and recommend HMGP projects to FEMA, as well as playing a leading role in identifying a cost share or match strategy.

6.2 GLOBAL MATCH STRATEGY FOR THE 2016 FLOODS

Section 404 of the Stafford Act limits the amount of funding for eligible hazard mitigation measures

under the HMGP to not more than 75 percent of the eligible total project costs. In an effort to alleviate the financial burden of some projects, global match can be utilized to offset some or all of the non-federal cost share requirements. The use of HMGP Global Match eliminates the need for individual subrecipients to provide the 25 percent non-federal cost share for their respective projects.

On March 31, 2017, the State of Louisiana received a final HMGP lock-in ceiling amount totaling \$28,992,576 resulting from FEMA-4263-DR-LA (DR-4263 March 2016 Floods). This Federal allocation has a non-Federal cost share requirement of \$9,664,192 if the entire FEMA HMGP allocation is utilized. Additionally, from FEMA-4277-DR-LA (DR-4277 August 2016 Floods) the lock-in ceiling amount totaled \$261,971,744, requiring a cost share requirement of \$87,323,915. The total cost share requirement of the HMGP allocations from both declared flood disasters of 2016 is \$96,988,107. The State of Louisiana has dedicated funds received from the CDBG-MIT program through the OCD to provide the required cost share for HMGP projects.

Global match takes place when GOHSEP, with prior approval from FEMA³, submits state and locally funded projects to serve as the cost share or match requirement for all HMGP projects. The match project(s) must meet all HMGP eligibility criteria and must have been implemented after the date of declaration of the disaster for which the match is intended. The intention is that all HMGP projects will be fully funded, with no additional cost share required from the subrecipient.

Through this Program, the CDBG-MIT funding will be the source of funding for projects that will count as the overall HMGP cost share. The intention is to fully fund a few select number of HMGP-eligible projects with CDBG-MIT grant funds and apply that amount of funding needed as cost share to the HMGP for the 2016 Floods. In this way, the CDBG-MIT funds will cover the entire non-federal cost share or match requirement of the HMGP 2016 Floods.

6.2.1 FEMA Responsibilities

One of FEMA's responsibilities is to ensure that all projects submitted by GOHSEP as global match meet all applicable HMGP eligibility requirements. Additionally, FEMA is responsible for ensuring that all global match projects are correctly entered into the National Emergency Management Information System or NEMIS by GOHSEP. FEMA has the key role in the approval or denial of project applications as well as amendment requests. It is anticipated that there will be several dozen amendment requests for cost share revisions as this Global Match strategy is implemented.

6.2.2 GOHSEP Responsibilities

In Louisiana, the Governor's Office of Homeland Security and Emergency Management or GOHSEP is the entity considered the applicant, or grantee, of FEMA HMGP funds, as they are the state's responsible entity for the administration and management of the Hazard Mitigation Grant for disasters. Similar to OCD's relationship with HUD, GOHSEP ultimately maintains the primary responsibility for the entire HMGP for each grant cycle in Louisiana and ensures that projects are in compliance with FEMA requirements. GOHSEP generally administers the HMGP through subrecipients who manage specific projects.

³ FEMA approved the State of Louisiana Hazard Mitigation Plan "Administrative Guidelines and Procedures", November 2019. Administrative Plan Amendment on June 6, 2020 for DR-4263 and DR-4277.

GOHSEP officially notified FEMA of its desire to use global match for the 2016 floods HMGP projects and included that request in the update of the State of Louisiana HMGP Administrative Plan. Several HMA-eligible state agencies, parishes, and/or municipalities (herein referred to as “subrecipient”) were provided an HMGP sub-allocation from the state’s FEMA HMGP allocation to which they apply toward advancing their hazard mitigation initiatives through FEMA HMGP projects. This sub-allocation represents the total award amount for which the entity is eligible or the 100 percent Federal share for projects. All projects will be submitted identifying the traditional 75/25 cost shares. However, the total amount of project funding requested should not exceed the 100 percent Federal allocation that was provided to the subrecipient.

Additionally, GOHSEP is responsible for notifying all potential subrecipients of the availability of global match to meet the non-Federal project cost share. Traditionally, the state has required the receiving entity to account for the required cost share associated with its project. The financial impacts of a 25 percent cost share may be too great and limit an entity’s ability to mitigate risk thus missing critical mitigation opportunities.

6.3 MEETING THE STATE’S HAZARD MITIGATION PLAN GOALS

A community or entity designated to receive FEMA HMGP funding after a disaster must have participated in and adopted a FEMA-approved Hazard Mitigation Plan in order to be eligible. Projects submitted to GOHSEP are determined to be consistent with the objectives of Louisiana State Hazard Mitigation Plan outlined below.

Goals of the *2019 State Hazard Mitigation Plan* (page 120) found on the GOHSEP website <http://gohsep.la.gov/Portals/0/Documents/Mitigate/HMPlan/2019HM-plan-final.pdf>, include:

Goals of the 2019 State Hazard Mitigation Plan	
Goal 1	Protect the people, property and natural resources of Louisiana, by promoting strategies and policies that increase resiliency, and minimize vulnerability to natural hazards.
Goal 2	Increase public and private sector awareness and support of mitigation activities and opportunities in Louisiana.
Goal 3	Support local and regional mitigation initiatives and strategies.
Goal 4	Reduce Louisiana’s repetitive and severe repetitive loss property inventory.
Goal 5	Implement and maintain a comprehensive and effective enhanced statewide hazard mitigation plan.

6.4 CDBG-MIT CRITERIA

In order to be considered by OCD as a part of the CDBG-MIT funded Non-Federal Cost Share Assistance

Program, each HMGP project will be reviewed for CDBG-MIT project eligibility in accordance with 24 CFR §570 and the Federal Register Notices issued for Louisiana Severe Storms and Flooding. The project also must meet other Non-Federal Cost Share Assistance Program criteria and CDBG-MIT requirements outlined in this Manual and in the State’s CDBG-MIT Action Plan.

CDBG-MIT Criteria Summary

CDBG-MIT Criteria Summary	
<input type="checkbox"/>	The project is located in an eligible parish
<input type="checkbox"/>	The project meets one of the CDBG-MIT National Objectives
<input type="checkbox"/>	The project meets HUD environmental requirements
<input type="checkbox"/>	The project meets one of the defined eligible activities

6.5 LOCATION AND LMI BENEFIT OF A PROJECT

As outlined in the Action Plan, CDBG-MIT funds were allocated to address the HMGP Non-Federal Cost Share Assistance needs of the most impacted parishes along with eligible impacted LMI parishes. See Figure 1 in Sec. 2.2 for a map of eligible parishes.

6.6 FEASIBILITY OF HMGP ELIGIBILITY AND APPROVAL

It is an essential first step to selecting a project for this process that the projects contain key HMGP and HUD eligibility factors and meet all of the HMGP requirements outlined in this manual. Ensuring eligibility and approval from FEMA is key to completing the global match strategy for the state.

The HGMP projects that are prioritized for CDBG-MIT funding under the Non-Federal Cost Share Assistance Program will meet the following consideration:

Phase I Status: Projects that have not started Phase I will be prioritized for selection for the reimbursement of all project costs through the Non-Federal Cost Share Assistance Program Global Match Strategy. Projects that have started, but not completed Phase II may be eligible for funding of only Phase II upon approval of Phase I.

Phase II Status: Projects that have completed Phase I and moved into Phase II will not be selected for reimbursement under the Cost Share Program, unless special circumstances are approved by OCD.

6.7 DETERMINING PROJECTS FOR CDBG-MIT GLOBAL MATCH FUNDING

6.7.1 HMGP Project Requirements

Any project submitted for CDBG-MIT global match funding must first meet the HMGP requirements as well as the general HMGP eligibility requirements detailed below:

- Environmental & Historic Preservation (EHP) review - early coordination will be completed to ensure effective implementation of global match. If CDBG-funded properties are included in an HMGP project, both FEMA and HUD must complete an environmental review of the properties before homeowners can initiate any work on the properties.

- Is cost effective with a benefit cost ratio of at least 1.0 and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster
 - Addresses a repetitive problem or a significant risk
 - Will not cost more than the anticipated value of the benefits
 - Has been determined the most practical, effective, and environmentally sound alternative after consideration of a range of options
 - Contributes to a long-term solution
 - National Flood Insurance Program (NFIP):
 - Community participation in the NFIP is required for properties located in a Special Flood Hazard Area (SFHA)
 - NFIP insurance coverage is required in perpetuity after mitigation for all properties in the SFHA
 - Acquired properties must be deed restricted and either remain as open space or contain
 - FEMA- approved uses
- Meet all applicable Federal, state, and Local laws and regulations
- Be started after the date of declaration and approval of the project(s)
- Comply with same Period of Performance as HMGP projects for DR-4263 or DR42-77 Entity must commit to completion of the project
- Be monitored or checked for Duplication of Benefits (DOB)

6.8 HMGP FILE REVIEW PROCEDURES

All HMGP Projects that are being considered for the Non-Federal Cost Share Assistance Program must have funding and a scope of work that is contained in an eligible and obligated HMGP application. OCD treats each HMGP application (inclusive of Phase I and Phase II) as an individual project. Each HMGP application contains the entire funded project and only items contained in an application are considered eligible for HMGP funding. At a minimum, FEMA created files (approved HMGP application) document the project, the location, the scope of work, the cost estimate, as well as back-up documentation. FEMA, working in conjunction with GOHSEP compiles and ensures that each application considered for global match has met the federal requirements.

OCD works with GOHSEP as well as state and local entities, to obtain the information contained in the file for each HMGP application. OCD also obtains, processes, and ultimately analyzes the projects considered for global match to confirm each complies with the requirements governed by the HUD CDBG-MIT regulations. As described later in the manual, OCD confirm all compliance factors before implementing the noted steps to issues reimbursement payments.

6.9 FEMA DOCUMENT SYSTEM

FEMA's recordkeeping system, NEMIS tracks HMGP applications and associated documents after each disaster declarations. This system manages all files related to the HMGP applications, keeping applicants in compliance with FEMA regulations. GOHSEP utilizes the LA HM system to manage the FEMA HMGP grants from application to closeout. In order to make certain that the global match projects are compliant with CDBG-MIT in an efficient manner, OCD will access all documents through LA HM and transfer copies of all approved applications to OCD designated IGX for review.

6.10 APPLICANT NOTIFICATION

OCD will coordinate with GOHSEP to notify eligible applicants selected to participate in the Non-Federal Cost Share Assistance Program. Only applicants who have applied for HMGP and been approved by FEMA are eligible to serve as the HMGP match projects under OCD's Non-Federal Cost Share Assistance Program. The correspondence will inform applicants that HUD CDBG-MIT will fund the all or a portion of their project and additional HUD regulations will be required. Additionally, subrecipients will be asked to provide OCD with access to necessary information depending on the type of work, stage of completion for a project or when work was completed. The correspondence also includes the CDBG-MIT requirements that applicants will have to follow to be considered viable for receiving CDBG-MIT funding under the Non-Federal Share Match Program. Through this direct correspondence, all applicants are aware that HUD funds will be used to cover the local match obligation.

OCD will organize this communication in the following sequence:

1. OCD will issue a notification to global match eligible HMGP applicants. Included in the notification will be information on the Non-Federal Cost Share Assistance Program.
2. If an entity has not responded to the program, the OCD team will continue follow up to that entity for 30 days, notifying them of the requirements of the program. OCD will log each communication with each applicant.
3. If an entity has responded to OCD that they decline to take part in the program, OCD will remove the potential applicant from the list. OCD will notify the entity of this activity along with GOHSEP.

6.10.1 Entities with an Interest in OCD's Non-Federal Cost Share Assistance Program

Following notification to OCD of interest in the program, OCD will:

1. Inform the entity of additional steps and actions that the entity must take as a condition of having their project funded with CDBG-MIT funds under the Non-Federal Cost Share Assistance Program. This will include agreeing to comply with CDBG-MIT and OCD program requirements and providing OCD with necessary documentation.
2. One-on-one TA Calls: OCD will schedule individual technical assistance calls where OCD will provide additional information on program requirements such as Section 3 and Davis Bacon.

6.11 RECORDKEEPING AND REPORTING

During the application Review Process outlined below, all documentation in LA HM at the time of review is copied and uploaded to OCD's IGX system. OCD moves the information into these locations so it can be reviewed and preserved for CDBG-MIT requirement compliance. If a project is missing documentation that is necessary to document and determine HUD compliance, the Project team will create a list of missing documents and OCD will commence the document retrieval process outlined in this section.

Once an applicant has opted into the Non-Federal Cost Share Assistance Program, OCD will begin the document retrieval process. For all applicants, OCD will first review and obtain all information from LA HM relating to the application. Additionally, OCD will request, obtain, scan, and upload required supporting documentation that the applicant possesses, and which is related to the work completed on the application and is necessary for HUD compliance and/or eligibility.

OCD will work with the applicant through technical assistance to ensure that the project will be compliant with all CDBG-MIT requirements prior and during the construction. Additionally, OCD may, at its discretion, direct OCD staff and or vendors to provide Technical Assistance to the applicant to ensure that the project remains CDBG-MIT compliant.

6.11.1 Document Retrieval Process

The Document Retrieval Process is an integral part of ensuring compliance with the requirements of the Non-Federal Cost Share Assistance Program. It provides OCD, HUD, and applicants with documentation required for maintaining CDBG-MIT compliance.

The following phases are included in the document retrieval process:

1. LA HM Review:
 - a. Creation of a Document Checklist that identifies the required CDBG-MIT documentation on file in LA HM and also identifies missing CDBG-MIT required documentation for all applications per applicant. This Document Checklist, and a letter or official communication setting an appointment for a virtual or onsite meeting, is sent to the grantee at least two (2) weeks prior to the meeting. A Grantee specific Document Checklist and letter are sent to the applicant.
 - b. Applicants will register in IGX Grant Management Software (IGX), complete the application and upload all project documentation.
2. Application Review:
 - a. Review documents attached to application and notify applicant of any items that remain outstanding and determine next steps, if any, to obtain the remaining items. All items will be uploaded and housed in IGX. Files will be organized and named according to the agreed upon OCD approved naming conventions. This facilitates the storage and retrieval of records and enables users to browse file names more efficiently and effectively.

6.11.2 GOHSEP Quarterly Reporting

As outlined in the State of Louisiana Hazard Mitigation Program Administrative Guidelines and Procedures Manual, subrecipients are required to submit progress reports to GOHSEP on a quarterly basis for all open projects. The quarters end on March 30, June 30, September 30, and December 31,

respectively and the report is due by the 15th of the following month. The report will include such items as project status, any significant developments, problems, delays or adverse conditions that may affect the project, potential cost overruns / cost underruns and financial expenditures of all project funds received. The Recipient Quarterly Report will be provided to FEMA within 30 days after the end of the quarter as provided in 44 CFR 13.40. OCD will maintain a record of the Quarterly reports.

6.12 NON-FEDERAL COST SHARE ASSISTANCE PROJECT SELECTION REVIEW PROCESS

OCD will begin with list of HMGP Applications deemed eligible by FEMA. GOHSEP staff will provide outreach to all HMGP subrecipient(s) informing them they are part of the global match program and will be contacted by the OCD team if considered as a CDBG-MIT match projects. From there OCD will engage the subrecipient.

OCD will pull project data from the Louisiana HM (LA HM) software. Subrecipients with projects selected to best meet the eligibility criteria will be required to complete a ***Non-Federal Cost Share Assistance Program Application*** (See Appendix B). The Program Application will capture CDBG-MIT required project information such as beneficiary data and national objectives.

Using the Program Application, OCD will complete an eligibility review, obtain beneficiary information in an attempt to maximize the Low and Moderate Income (LMI) requirement as identified in the Federal Register Docket FR-6109-N-024, and analyze each project in consideration of HUD MID spending requirements. Upon validation of CDBG-MIT requirements, projects will be recommended for full CDBG-MIT funding for the project. Funding recommendations will be categorized to assist the state in meeting program specific and overall CDBG-MIT statutory requirements that relate to the 50 percent overall benefit to low-to-moderate income persons.

⁴ <https://www.govinfo.gov/content/pkg/FR-2019-08-30/pdf/2019-18607.pdf>

APPENDIX A

PROFESSIONAL DESIGN COSTS

SUPPLEMENTAL INFORMATION

Professional design costs for basic services or additional services may be eligible for reimbursement up to the **established fee schedule by the State of Louisiana Office of Facility Planning and Control (see Figure 1 on next page)**. All design costs would be included under project costs and not included in the project delivery costs. Architectural/engineering fees, even those either provided under a fixed price contract or cost reimbursement contract, must be reasonable and justifiable. Sole justification that the fees are within the amount allowed by OCD is not adequate, and design contracts priced on the basis of a percentage of cost are prohibited.

The fee for basic services, as described hereinafter, shall be calculated as the product of the fee percentage, adjusted for inflation, and the amount available for construction (AFC), adjusted for inflation. The fee percentage shall be computed by the formula:

$$\text{FEE PERCENTAGE} = \frac{46.10}{\text{Log (AFC (1975 BCI/Current BCI))}}$$

The fee shall be computed by the following formula:

$$\text{FEE} = \text{FEE PERCENTAGE (AFC (1975 BCI/Current BCI) (Current CPI/1975 CPI))}$$

Where:

BCI = Building Cost Index as published by Engineering News Record

CPI = Consumer Price Index as published by U.S. Department of Labor, Bureau of Labor Statistics.

Since the annual average computed in December of the BCI and CPI are used, fee calculations are based upon the most current calendar year average of both indices. Should fee modifications occur during the course of the project, the BCI and CPI index factors used to calculate the original fee shall be used. If a project, through no fault of the Designer, is inactive for more than 24 months, the current BCI and CPI index factors shall be applied to the project once re-activated.

Figure 1: State of Louisiana Office of Facility Planning and Control Fee Schedule⁵

**State of Louisiana
Facility Planning & Control**

**BCI & CPI
FOR
2021 Fee Formula**

BCI 1306	1975	CPI 53.8
6281	2020	258.8

**SCHEDULE OF REPRESENTATIVE FEES
FOR
2021**

AFC	Fee as a Percentage of AFC	Fee
\$ 10,000.00	13.9000%	\$ 1,390.00
\$ 50,000.00	11.4800%	\$ 5,740.00
\$ 100,000.00	10.6790%	\$ 10,679.00
\$ 200,000.00	9.9830%	\$ 19,966.00
\$ 500,000.00	9.1910%	\$ 45,955.00
\$ 750,000.00	8.8793%	\$ 66,595.00
\$ 1,000,000.00	8.6707%	\$ 86,707.00
\$ 1,500,000.00	8.3928%	\$ 125,892.00
\$ 2,000,000.00	8.2062%	\$ 164,124.00
\$ 3,500,000.00	7.8660%	\$ 275,309.00
\$ 5,000,000.00	7.6635%	\$ 383,174.00
\$ 7,500,000.00	7.4456%	\$ 558,418.00
\$ 10,000,000.00	7.2983%	\$ 729,833.00
\$ 20,000,000.00	6.9664%	\$ 1,393,281.00
\$ 50,000,000.00	6.5713%	\$ 3,285,663.00

⁵ This information will be updated annually to reflect updates by State of Louisiana Office of Facility Planning and Control.

APPENDIX B

CDBG-MIT NON-FEDERAL COST SHARE ASSISTANCE PROGRAM APPLICATION