



State of California
Department of Housing and
Community Development

2017 Community Development Block Grant – Mitigation
Resilience Planning and Public Services Program

Policies and Procedures Manual

Version 2.0

May 2023

Version Policy

Version history is tracked in the table below with notes regarding version changes. The dates of each publication are also tracked in the table.

Substantive changes within this document that reflect a policy change results in the issuance of a new version. For example, the change to a rolling application process is a substantial change to the procedures provided in Version 1.0. Future policy changes will result in additional revisions and the issuance of a new primary number version.

Non-substantial changes, such as minor wording and editing or clarification of existing policy that do not affect the interpretation or applicability of the policy, are included in minor version updates denoted by a sequential number increase behind the primary version number. Such changes would result in a version number such as 2.1, 2.2, etc.

Version History

Version Number	Date Revised	Description of Revisions
v1.0	October 2020	Initial Draft: Policies and Procedures are <u>subject to change</u> at the sole discretion of HCD.
v2.0	June 2023	<ul style="list-style-type: none"> • Updated overall organization of the document for consistency and readability. • Section 1 – General: Updated the Terms and Definitions section to clarify new prior definitions as well as add terms. • Section 2 – Program Requirements: Updated the section to include more detail related to program and eligibility requirements. Added the CDBG-MIT and Cross Cutting Requirements section. • Section 3 – Implementation Policies: Renamed the prior “Operating Procedures” section for clarity of purpose. Added detail to the section. • Section 4 – Program Operations: Renamed the prior “Program Operation and Implementation” section for clarity of purpose. Updated the section to include detail on requirements. • Appendix A – 2017 Round 2 PPS: Added to specify the program requirements as they specific pertain to 2017 Round 2 PPS. • Appendix B – Map of MID and Disaster Impacted Areas: Formally Appendix A.

		<ul style="list-style-type: none">• Appendices C-E: Added the 2017 PPS Round 2 Program Threshold compliance documentation table and supporting materials.
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1 General

1.1 Purpose and Scope

This document addresses requirements, policies and procedures specific to the Community Development Block Grant – Mitigation (CDBG-MIT) Resilience Planning and Public Services (MIT-PPS) Program.¹ Subrecipients should review all applicable federal regulations, disaster specific Federal Register Notices, the state’s [CDBG-MIT Action Plan](#), and the [Grant Administration Manual](#) (along with its Mitigation Addendum) for detailed discussions of CDBG-MIT procedures and requirements, including rules for specific Projects, eligibility, program deadlines, protocols for demonstrating capacity, and specific eligible and ineligible costs.

In response to the California wildfires of 2017, Congress appropriated \$28 billion in Public Law 115-123 to the U.S. Department of Housing and Urban Development (HUD) to assist impacted communities. Of this allocation, the California Department of Housing and Community Development (HCD), as the lead and Responsible Entity for administering the CDBG-MIT funds allocated to the state, received a total of \$212 million in funding to support recovery and mitigation efforts following the wildfires, flooding, mudflows, and debris flows that occurred in October and December 2017, of which \$88 million was dedicated to mitigation.

As part of the CDBG-MIT Action Plan Mitigation Needs Assessment, HCD completed individual mitigation needs sessions with interested state and local stakeholders. As outlined in the assessment, multiple stakeholders indicated a need for public education and awareness related to risks and vulnerabilities and actions that can be taken to better prepare for future disasters. In addition, stakeholders expressed a desire to conduct planning initiatives that examine how best to prioritize mitigation in future housing, infrastructure, and economic development investments.

In response to this outreach, HCD dedicated \$20 million of the CDBG-MIT funds to the 2017 Resilience Planning and Public Services Program.

The purpose of the program is to assist communities with mitigation-related planning and public service needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment found in the [CDBG-MIT Action Plan](#). The MIT-PPS Program funds eligible Jurisdictions, Tribal Entities, and Nonprofit Organizations to create Projects that address risks to, or across, community lifelines that

¹ CDBG-MIT is the funding source and MIT-PPS is the program

support human health and safety and provide mitigation for individual and community-based systems.²

The intent of the MIT-PPS Program is to fund actionable, impactful planning and public service Projects that have measurable results. Planning Projects funded under this program should be able to be utilized immediately or lead to implementation efforts to reduce risk and increase resilience. Any public service Projects funded under this program should be in alignment with applicable local or regional planning documents (e.g., Local Hazard Mitigation Plan).

Mitigation and resilience are best gained through collaborative approaches with multiple stakeholders. HCD encourages coordination among eligible Applicants to increase coordination across organizational and geographical boundaries and to improve Project outcomes.

Additionally, for CDBG-MIT funds to be used as the non-federal cost share local match, the Project must be a HUD eligible activity and must meet a HUD national objective, per CDBG-MIT rules and regulations. Similarly, the Project must fully comply with all applicable federal rules and regulations, including labor compliance (i.e., Davis Bacon and related acts, lower income priority workers (i.e., Section 3), disability rights (i.e., Section 504), procurement, environmental review, and all other CDBG-MIT, cross-cutting, state and local applicable statutes, rules, and regulations.

The program allocation is made available via a Notice of Funding Availability (NOFA) which outlines eligibility criteria and timelines for funding. Eligible Applicants within the MID may submit Projects to HCD for funding consideration through the NOFA process.

² Federal Emergency Management Agency. Community Lifelines. <https://www.fema.gov/emergency-managers/practitioners/lifelines>

1.2 Terms and Definitions

Acronym	Meaning
CDBG-MIT	Community Development Block Grant Mitigation Program
FEMA	Federal Emergency Management Agency
FEMA HMGP	FEMA Hazard Mitigation Grant Program
HCD	State of California Department of Housing and Community Development
HCDA	Housing and Community Development Act of 1974, as amended
HUD	U.S. Department of Housing and Urban Development
MIT-PPS	CDBG-MIT Planning and Public Services
MNA	Mitigation Needs Assessment
NOFA	Notice of Funding Availability
UNM	Urgent Need Mitigation

Activity Costs: Direct costs from undertaking a project, which can be tied to a final Project and eligible activity.

Activity Delivery Costs (ADC): ADCs are allowable costs incurred for implementing and carrying out eligible CDBG activities. ADCs cover the costs of staff directly carrying out the activity in addition to engineering, design, architecture, and environmental services that are necessary for successful completion of the activity. ADCs must be allocable to a CDBG-assisted activity, meet a national objective, and meet all other CDBG program requirements.

Applicant: means any jurisdiction, Tribal Entity, or Nonprofit Organization that applies for funds pursuant to applicant eligibility section.

Application: A formal document used to assess eligibility and viability of an individual Project and includes identification and documentation of all funding sources, Authorizing Resolutions, and documentation showing Applicant's capacity for and compliance with state and federal regulations.

Area Median Income (AMI): means the median family income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by HCD for the CDBG program at <https://www.hcd.ca.gov/grants-and-funding/income-limits>. For Tribal Entities, if the HUD AMI for the county located within the Tribal Entity's service area is lower than the United States Median, The Tribal Entity may use the United States median income limit as AMI.

Authorization to Use Grant Funds (AUGF): is the written notification from HCD to the Subrecipient, indicating that a specific Project has met HCD’s prerequisites and authorizing the Subrecipient to expend CDBG-MIT funds on that specific Project.

Authorizing Resolution: is a formal resolution of the Subrecipient’s highest authority, including but not limited to the city council or county board of supervisors, board of directors, tribal council or tribal leadership, authorizing the Subrecipient to accept CDBG-MIT funding and the responsibilities that attach, thereto, in general and authorizing persons performing specific roles to act on its behalf, including, but not limited to, being a signatory of the HCD Standard Agreement and other supporting documents.

Beneficiary: (Also “participant”) The individuals that benefit from participation in a Project administered by a Subrecipient.

Bureau of Indian Affairs (BIA): Refers to a United States federal agency within the Department of the Interior that manages over 55,700,000 acres of trust, restricted or allotted lands [held in trust](#) or otherwise administered by the [U.S. federal government](#) for over 574 federally recognized Indian Tribes through its Office of Trust Services and includes issuing approvals of leases and recording of leases, mortgages, encumbrances, liens, rights-of way, or other security documents against the tribal trust land through its Land and Title Records Office.

California Environmental Quality Act (CEQA): is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. For Tribal Applicants where the project is located on trust land, this requirement will not apply

Code of Federal Regulations (CFR): is the acronym used for the Code of Federal Regulations.

Contractor: Contractor means a procurement relationship between a non-Federal entity to obtain goods and services for its own use and the contractor as a provider in [2 CFR § 200.331](#). Contract is defined at [2 CFR § 200.1](#). Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor meets at least one of the following:

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Normally operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

Cross-Cutting Federal Requirements: Federal regulations that apply to any project or program funded by federal money, including HUD funding. These federal requirements pertain

to financial management, procurement, environmental, labor, acquisition, relocation, fair housing, and non-discrimination.

Davis-Bacon Wage Requirements: The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal or District of Columbia contracts or federally assisted contracts in excess of \$2,000 for construction, alteration, or repair (including painting and decorating) to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar Projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Contractors and subcontractors on Davis-Bacon Act prime contracts in excess of \$150,000, or related Act contracts in excess of \$100,000, are also required, pursuant to the Contract Work Hours and Safety Standards Act, to pay laborers and mechanics one and one-half times their basic rates of pay for all hours over 40 worked on a covered contract in a workweek. For Tribal Applicants where the project is located on trust land, this requirement will not apply **if** the Tribal Entity has formally adopted through its tribal law a "Tribally Determined Wage" **and has provided HCD with** 1) copy of the Tribal Resolution or Ordinance adopting the TDW and 2) the methodology at how it determined the wage. pursuant to 25 U.S.C. § 1000.16 (e).

Duplication of Benefits (DOB): Financial assistance received from another source that is provided for the same purpose as the CDBG-MIT funds. 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 Mitigation funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value.

Environmental Review Record (ERR): A permanent set of files containing all documentation pertaining to the environmental review compliance procedures conducted and environmental clearance documents as required by CEQA and NEPA regulations. (See California Environmental Quality Act and National Environmental Policy Act).

Federal Emergency Management Agency (FEMA): An agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

Federally Recognized Tribe: A tribe that meets the definition of Indian tribe under Section 4103(13)(B) of Title 25 of the United States Code or a Tribally Designated Housing Entity (TDHE) under 25 USC 4103(22).

FEMA Hazard Mitigation Grant Program (HMGP): FEMA HMGP Projects are those that result in protection to public or private property, have a beneficial impact upon the designated disaster area, whether or not located in the designated area, and meet the minimum Project criteria in [44 CFR Section 206.434\(b\)](#).

Grantee: The term “grantee” refers to HCD.

Grants Network: HCD’s electronic grant management system.

Grants Network Portal: Applicants submit Application to the program through their Grants Network Portal account. Subrecipients manage awarded Projects through the same Grants Network Portal account.

Ground Lease for Tribal Applicants: Ground lease of Indian Country entered into by the Tribal Entities for that certain real property identified in the executed lease that is to be approved by BIA and recorded in the BIA’s Land Title and Records Office of the United States Department of the Interior, and, in the official records of the County wherein the Indian Country is located. Grantee shall provide evidence of BIA approval of the Ground Lease promptly upon receipt of approval by the BIA. Indian Country is defined as:

- All land located in “Indian country” as defined by 18 U.S. Code (USC) 1151;
- All land within the limits of a Rancheria under the Jurisdiction of the United States Government;
- All land held in trust by the United States for an Indian tribe or individual; and
- All land held by an Indian tribe or individual subject to a restriction by the United States against alienation.

HUD-Identified MID Area (MID): Cities, counties or other jurisdictions or geography identified by HUD as most impacted and distressed areas based on analysis of FEMA and state data.

Jurisdiction: A local city, town, or county.

Low- and Moderate- Income (LMI): Low- and moderate-income people are those having incomes not more than the “moderate-income” level (80 percent Area Median Family Income) set by the federal government for the HUD-assisted Housing Programs. This income standard changes from year to year and varies by household size, county, and the metropolitan statistical area.

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

Mitigation: 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 as defined in the Federal Register Notice (84 FR 45838, August 30, 2019).

Mitigation Needs Assessment: Analysis of historical data and institutional knowledge provided in state and local hazard mitigation plans and from prior disasters to determine risks of impacts for disasters to housing and infrastructure.

Most Impacted and Distressed (MID): An area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notice. For purposes of the unmet needs allocation, HUD has defined Most Impacted and Distressed as an area (county or zip code) that meets the following criteria:

- Individual Assistance/Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.
- Concentrated damage. HUD has limited its estimate of serious unmet housing need to counties and zip codes with high levels of damage, collectively referred to as “most impacted areas”. For this allocation, HUD is defining most impacted areas as either most impacted counties—counties exceeding \$10 million in serious unmet housing needs—and most impacted zip codes—zip codes with \$2 million or more of serious unmet housing needs. The calculation of serious unmet housing needs is described below.
- Disasters meeting the most impacted threshold. Only 2018 disasters within the threshold are funded: a. One or more most impacted county, and/or b. An aggregate of most impacted zip codes of \$10 million or greater than was declared by the President to be a major disaster area under the Stafford Act for a disaster event occurring in 2018.

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 consider the environment prior to undertaking any major federal action that could significantly affect the environment.

Native American Lands: Real property located within the State of California that meets the following criteria:

- It is trust land for which the United States holds title to the tract or interest in trust for the benefit of one or more tribes or individual Indians, or is restricted Indian land for which one or more tribes or individual Indians holds fee title to the tract or interest but can alienate or encumber it only with the approval of the United States; and the land may be leased for housing development and residential purposes under federal law; or

- Lands outside the Jurisdiction of tribal government owned or co-owned by a Native American Entity.

Nonprofit Organization: means any entity incorporated under the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code) or a nonprofit organization that qualifies for exempt status under Section 115 or 501(c) of the Internal Revenue Code and registered as a California business entity with the Secretary of State's Office.

This includes a separate legal entity organized as a Nonprofit Organization by a non-federally recognized tribe (NFRT) to carry out tribal governance and operations on behalf of a Tribe, where the Nonprofit Organization has demonstrated to the satisfaction of HCD that it is controlled by the Applicant Tribal Entity. The Nonprofit Organization must be (1) organized by the NFRT for the purposes of carrying out the activities eligible under this Program; (2) wholly controlled by the NFRT; (3) all of which must be set forth and duly adopted Articles of Incorporation submitted to the California Secretary of State's office and (4) the mandatory bylaws filed with the Organization. All documentation listed in this section must be submitted to HCD at time of Application.

Non-Federally Recognized Tribes (NFRT): A Non-federally Recognized Tribe is a tribal entity that does not meet the Bureau of Indian Affairs' definition of Federally Recognized Tribe and is not included in the federal register listing of Federally Recognized Tribes.

Over-the-Counter (OTC): Is the process in a NOFA of applying for funds for projects that does not use a competitive rating and ranking process to determine awards. In the OTC process, HCD continuously accepts and evaluates Applications until funds are exhausted.

Project: Project means any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines pursuant to 49 CFR 24.2(a)(22)]

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

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

Responsible Entity (RE): Means the agency 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, pursuant to [24 CFR Part 58](#).

Section 3: is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program 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.

Stafford Act: The Robert T. Stafford Disaster Assistance and Emergency Relief Act, PL 100-707 as amended by the Disaster Relief Act of 1974, PL 93-288. (Stafford Act).

Standard Agreement (SA): The contractual arrangement between HCD and the Subrecipient which sets forth the terms and conditions by which CDBG-MIT funds are utilized. The Standard Agreement allows for one Project to be completed under the agreement.

Subrecipient: An entity receiving an award from HCD under this MIT-PPS Program for an approved project and has an executed agreement with HCD.

Subrecipient Grantee: Subrecipient Grantees are defined as an entity that receives a subaward from a pass-through entity (e.g., such as a local unit of government or CDBG-MIT subrecipient under this program) to carry out part of a Federal award (e.g., CDBG-MIT).

Tribal Determined Wage (TDW): A prevailing wage rate to be paid to all laborers and mechanics employed in the development of affordable housing, which is duly adopted in accordance with Tribal law and in compliance with Section 104(b) of the Native American Housing and Self Determination Act of 1996 (NAHASDA), 24 C.F.R. 1000.16 and 29 C.F.R. 1.2 and 1.3. and when duly adopted in compliance with NAHASDA, the Davis-Bacon, HUD Determined and California Prevailing Law shall not apply to the Project.

Tribal Entity: Tribal Entity(ies) are defined as one of the following:

- A tribe that meets the definition of Indian tribe under Section 4103(13)(B) of Title 25 of the United States Code.
- A tribe that meets the definition of Tribally Designated Housing Entity (TDHE) under 25 USC 4103(22).
- A tribe that is either of the following:
 - Listed in the BIA of Federal Acknowledgement petitioner list pursuant to Section 82.1 of Title 25 of the Federal Code of Regulations; or
 - Listed on the contact list maintained by the California Native American Heritage Commission for the purposes of consultation pursuant to Section 65352.3 of the Government Code; and

- Organized as a separate legal entity-non-profit organization that is organized as a 501(c)(3) organization pursuant to the Internal Revenue Code and it is demonstrated to the satisfaction of HCD that the separate legal entity-non-profit organization is controlled by the Eligible Tribal Entity Applicant.

Tribal Law: Includes the following documents:

- Constitution of the Eligible Applicant Tribal Entity; and
- Tribal Entit(ies) Ordinance, Resolutions duly adopted in accordance with Tribal Law; and
- Tribal Entity (Ordinance or Resolution) designating a TDHE to be an Eligible Applicant for Tribal Entit(ies).
- Tribal Entit(ies) governing documents, ordinances, resolutions, or other laws adopted by the Tribe.

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 the displacement of persons from their homes, businesses, or farms.

U.S. Department of Housing and Urban Development (HUD): Federal department through which the CDBG-MIT funds are provided to HCD.

2 Program Requirements

2.1 Eligible Activities

All Projects funded through the MIT-PPS program must qualify under one of two CDBG-MIT eligible activities: Planning and Capacity Building or Public Services.

These two eligible activities allow for local Jurisdictions and Nonprofit Organizations to submit appropriate Applications for funding based on their individual mitigation needs as outlined within the Mitigation Needs Assessment.

MIT-PPS Projects that benefit the MID, meet the HUD definition of mitigation, and generate a measurable resilience benefit can be funded with up to 100 percent of the Project's requested budget. The MIT-PPS Program assists local Jurisdictions and Nonprofit Organizations with mitigation-related planning and public services needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment. Funding may also be used in tandem with other local, state, or federal resources.

2.1.1 Planning and Capacity Building

The Planning and Capacity Building eligible activity is defined as follows:

- **HCDA Section 105(a)(12) – Planning and Capacity Building:** Activities necessary to develop a comprehensive community development plan, and develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

Planning and capacity building Projects implemented under this program may include, but are not limited to:

- The creation of new plans that examine hazards and establish actions for increasing resilience and preparedness related to the three primary hazards (wildfire, flooding, and earthquake).
- The update of current plans to add resilience or safety elements as well as updates to better align with mitigation principles to state and local comprehensive plans.
- Additional planning that serves to enhance critical lifelines.
- May fund up to 25 percent of FEMA Hazard Mitigation Grant Program (HMGP) match Projects, see Section 2.1.3. for more information.

- Capacity building activities to improve a Subrecipient's ability to plan and manage programs and activities for future implementation Projects.
- Capacity building activities that allow Subrecipients to assess needs, identify potential solutions, and determine feasibility of future implementation Projects.

Planning and capacity building activities do not include:

- Engineering, architectural and design costs related to a specific Project (e.g., detailed engineering specifications and working drawings).
- Income surveys.
- Other costs of implementation plans.

2.1.2 Public Services

The Public Services eligible activity is defined as follows:

- **HCDA Section 105(a)(8) – Public Services:** Provision of public services, including but not limited to those concerned with employment, crime prevention, childcare, health, drug abuse, education, energy conservation, welfare, or recreation needs, if such services have not been provided by the unit of general local government.

To utilize CDBG-MIT funds for a public service, the funds must either be used for a new service or be used for a quantifiable increase to an existing service. This provision was put into place by HUD to prevent the substitution of CDBG-MIT funds for support of public services that are recently being supported by local or state government funds. Therefore, the Project must be either:

1. A new Project
 - a. No local or state funding is in place; or
2. An existing Project that is not currently funded by local or state government funds; or
3. An existing Project that is currently funded by local or state government funds, and Applicant's CDBG-MIT funds will be used to fund an expansion of existing services.
 - a. To qualify as an expanded service, Applicants must demonstrate a quantifiable increase in the level of existing service.
 - b. To qualify as an existing service, the program should have been in operation for at least 12 months prior to the submission of the Application.

Public service Projects implemented under this program may include, but are not limited to:

- Establishment of mitigation-related outreach and educational campaigns regarding proper disaster evacuation, disaster preparedness, and risk reduction initiatives.
- Additional public services that serve to enhance critical lifelines.
- Funding to perform additional services to inform the public on resilient-focused activities.

- Capacity building through job training programs that train LMI individuals to work on community mitigation Projects.
- Code enforcement activities, including training and staffing.
- Provide accessibility to community members with language and/or functional needs.
 - Funds may be used to support language access services and effective communication strategies for persons with disabilities.

2.1.3 FEMA HMGP Match

FEMA Hazard Mitigation Grant Program (HMGP) activities are designed to help communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state, tribe, or territory requested by the Governor or Tribal Executive. The key purpose of HMGP is to enact mitigation measures that reduce the risk of loss of life and property from future disasters. Projects that are approved for FEMA HMGP Match, are otherwise eligible for MIT PPS funding.

Eligible FEMA HMGP match Projects must:

- Have an approved Application by Cal OES for HMGP funding.
- Qualify under one of the program eligible activities.
- Meet a National Objective as detailed in Section 2.4.
- Benefit the MID.
- Meet the HUD definition of mitigation.
- Show compliance with all applicable Cross-Cutting Federal Requirements if the Project is complete or in progress at the time of Application.

2.1.2.1 Determining the Non-Federal Share Amount

The non-federal share match is that portion of the Project funding that is not covered by the federal government. FEMA administers its grants according to Federal cost sharing requirements as outlined in Title 2 of the Code of Federal Regulations, [Sections 200.29, 200.306, and 200.434](#) and consistent with [Title 44 of the CFR, the Robert T. Stafford Disaster Relief and Emergency Assistance Act](#), as amended, and the [National Flood Insurance Act](#), as amended. In general, FEMA funds may be used to pay up to 75 percent of eligible activity costs.

Even though the funds are federal, CDBG regulations allow CDBG, including CDBG-MIT, funds to be used as match to FEMA Hazard Mitigation Grant Program (HMGP) activities.

The non-federal share for FEMA HMGP Match is 25 percent of the overall activity cost. MIT-PPS can provide up to the full 25 percent of the overall activity.

Federal Agency	Federal Programs	Federal Cost Share	Non-Federal, Local, Share	HMGP Eligible Disasters
FEMA	Hazard Mitigation Grant Program (HMGP)	75 percent	25 percent	Any federally declared disaster in California

2.2 Eligible Applicants

The eligible Applicants for 2017 MIT-PPS funds are one of the following, as defined in Section 1.2:

- Jurisdictions that have eligible projects and are located within the MID areas, OR
- Jurisdictions within the DR-4344 and DR-4353 impacted counties that develop an eligible mitigation planning and or public services project that directly benefits the MID, OR
- Non-profit Organizations with demonstrated experience in the area that develop an eligible mitigation planning and or public services project that directly benefits the MID.

2.2.1 Eligible Applicant Partners

As needed, Applicants may partner with other eligible entities, units of local government, Nonprofit Organizations, Tribal Entity, or special districts in the implementation of MIT-PPS.

Applicants may submit an Application that includes a local government, special district, Nonprofit Organization, Tribal Entity, or other similar entity as a partner for a Project that meets program requirements. However, the single entity submitting the Application will be the Applicant of record and primary contact. If awarded, the Applicant will certify their capacity to carry out project activities, will be the Subrecipient and fiscal agent to HCD, and will be wholly responsible for complying with all the HCD grant terms as the signatory of the Standard Agreement. Joint Applications will not be accepted. The Applicant is required to submit documentation that the partner is not debarred.

An entity meeting any of the characteristics of a Contractor, see Section 1.2, cannot be included in the Application as a partner. An entity meeting the definition of Contractor must be procured by the Applicant and enter into a services contract.

For all cases in accordance with [83 FR 5844](#) Section 51(k), HCD must also assess the Applicant's capacity to execute and monitor the proposed Project(s) as a factor in the Project review. If the Application is approved by HCD, the Applicant must enter into a formal partnership agreement with the partner for implementing the Project Application. As HCD's Subrecipient, the Applicant is responsible for communicating and coordinating on the Project with their

partner. It is the Applicant's responsibility to adhere to the executed written partnership agreement.

Applicants cannot receive a Standard Agreement for a Project with a partner unless the Applicant meets the following conditions:

1. The Applicant provides documentation showing capacity to administer the grant and comply with all terms and conditions for itself and all partners included.
2. The Applicant provides written monitoring plan of the partner for the proposed Project(s). The monitoring plan must demonstrate that the Applicant has sufficient understanding of the program requirements, the applicable federal and state regulations, and the capacity to monitor the work of its partner(s).
3. The Applicant provides the formal executed agreement between the Applicant and the partner. The written partnership agreement must at minimum outline the role, compensation method, scope of work, timelines, milestones, and goals that support successful completion of the Project by the Applicant.
4. For Applications with Tribal Entity partners: In addition to the partnership agreement, the Authorizing Resolution for Tribal Governments (included in the Grants Network Application files) must also be adopted in accordance with Tribal Law and signed by the appropriate Tribal official with a copy submitted to HCD at the time of the Application. The Tribal Entity must provide the appropriate governing documents, ordinances, or tribal laws at the time of Application.

If the preceding conditions are met, the Applicant can make the Jurisdiction, special district, Nonprofit Organization, Tribal Entity, or other similar entities a partner and can use MIT-PPS funds for which HCD issues a Standard Agreement.

2.3 Project Eligibility

Proposed projects are assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in, or be shown to have, a demonstrable benefit to a HUD-designated MID area.
- CDBG-MIT funded public services activities must satisfy either the Low- to Moderate-Income (LMI) or Urgent Need Mitigation (UNM) national objective as described in Section 2.5. However, according to the Federal Register Notice (84 FR 45838), planning efforts address the national objectives without additional requirements.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must meet the definition of a Mitigation activity.

- The Applicant must demonstrate sufficient capacity to manage and operate project specific CDBG-MIT funding.

2.3.1 Prioritization Criteria

Planning and public services projects address risks to, or across, community lifelines that support human health and safety and provide mitigation for individual and community-based systems.

Applicants are asked to provide quantitative assessments of the issues their project addresses. Applicants are also required to detail anticipated outcomes of their projects that result in improvements to LMI, the MID and the community lifelines.

HCD utilizes resources identified within the Mitigation Needs Assessment to aid in project selection (e.g., FEMA HMGP projects currently not awarded,³ CAL FIRE and Local Fire Safe Council program needs, Community Wildfire Prevention and Mitigation Report, established under the state's Executive Order N-05-19).⁴ These reports and data also consider the identification of vulnerable communities based on socioeconomic characteristics to establish priority projects.

Projects must meet threshold criteria:

- Be a CDBG-MIT eligible activity, and
- Must meet the definition of mitigation, and
- Be located within or have impact within the MID, and
- Reduce risk for low-to-moderate income individuals and households.

Projects that meet the criteria below are prioritized:

- Reduce risk along community lifelines of health and safety
- Reduce risk for vulnerable populations, especially individuals and households that are very-low income
- Inclusive of protected classes including age, race, color, religion, sex, familial status, national origin and disability
- Build capacity to implement projects under the Resilient Infrastructure Program
- Result in outcomes that can be measured
- Are regional in approach
- Foster collaboration amongst jurisdictional and nonprofit partners

³ CDBG-MIT Action Plan, Mitigation Needs Assessment - O. Long-Term Planning and Risk Mitigation - 1. FEMA HMGP

⁴ State of California Executive Department. Executive Order N-05-19. Available at: <https://www.gov.ca.gov/wp-content/uploads/2019/01/1.8.19-EO-N-05-19.pdf>

- Leverage additional resources

2.4 Geographic Eligibility

Projects must either be located in the MID or, if located outside of the MID, benefit the area designated by HUD as the most impacted and distressed areas, or “the MID,” within the disaster declared counties under DR-4344 and DR-4353.

The map in Appendix A shows the DR-4344 and DR-4353 impacted counties, the two Most Impacted and Distressed Counties (Sonoma and Ventura) and the five Most Impacted and Distressed Zip Codes:

- 95470 – Mendocino County
- 95901 – Predominantly Yuba County
- 94558 – Predominantly Napa County
- 95422 – Predominantly the City of Clearlake in Lake County
- 93108 – City of Montecito, located in Santa Barbara County

2.5 Meeting a National Objective

In accordance with [24 CFR 570.208](#), [Section 104\(b\)\(3\) of the HCDA](#), and as further outlined within the waivers and alternative requirements per Federal Register Notice [84 FR 45838](#), all CDBG-MIT funded activities must satisfy either the (1) Low- to Moderate-Income (LMI) or (2) the new Urgent Need Mitigation (UNM) national objective. See below Section 2.5.1 and 2.5.2, respectively, for details on how to meet one of these national objectives.

For all Public Services activities, a national objective must (1) be identified at the time of Application and (2) be confirmed at Project closeout. The Applicant will propose a national objective in its Application. HCD will evaluate and make a final determination based on HUD guidance as to whether the proposed national objective is a fit to the project. A national objective is met when the Project is complete. Documentation will be required at Project closeout to confirm the Project met the national objective identified in the Application.

Unlike Public Services activities, Planning activities do not require that a national objective be met. HUD’s Federal Register Notice [84 FR 45838](#) governing the MIT allocation describes planning efforts as addressing the national objectives without the limitation of any circumstances.

2.5.1 Overall Benefit Requirement

The primary objective of the HCDA is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic

opportunities, principally for persons of low and moderate income” (42 U.S.C. 5301(c)). HUD has acknowledged that this target is likely difficult to reach when Grantees are pursuing community-wide or regional mitigation measures to protect entire regions or communities regardless of income. Therefore, Federal Register Notice 86 FR 561 waives the requirements at 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3), that 70 percent of funds be used for activities that benefit low- and moderate-income persons. Instead, 50 percent of CDBG-MIT funds must benefit low- and moderate-income persons. As a result, HCD must ensure that 50 percent of its total CDBG-MIT grant funds projects that meet the LMI national objective.

2.5.2 Benefit to LMI Persons

Public Services Projects that qualify under the benefit to LMI persons national objective category must meet the criteria of an activity, as defined by [24 CFR 570.208](#):

- Area benefit activities: An activity, the benefits of which are available to all residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons.
- Limited clientele activities: An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons.
- Housing activities: An activity which is carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households
- Jobs activities: An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate-income persons.

For more information on meeting the benefit to LMI persons national objective see: [CDBG Guide to National Objectives and Eligible Activities Chapter 3](#). Additionally, HUD’s Basically CDBG for States includes [Chapter 7: Public Services](#), which provides guidance on how to determine the appropriate national objective category for public services, and how to document compliance with the national objective. Note that according to HUD’s guidance, Public Service Projects are unlikely to meet the LMI Housing or LMI Jobs national objectives. Information from the Basically CDBG for States public services resource is summarized below.

Benefit to LMI Persons Subcategories	Required Application Documentation
LMI Area Benefit	Per 24 CFR 570.208(a)(1) , the public service must be offered to all residents of an area where at least 51 percent of the residents are LMI. The area must be clearly delineated and must be primarily residential.

Benefit to LMI Persons Subcategories	Required Application Documentation
	<p>To document qualification under this national objective:</p> <ol style="list-style-type: none"> 1) Provide a map demonstrating the boundaries of the service area. 2) Document that the area is primarily residential (i.e., zoning maps). 3) Document the income characteristics of households in the service area (Census data or income survey). <ol style="list-style-type: none"> a. Census data utilizing HUD's LMI Mapping Tool <ol style="list-style-type: none"> i. List of census tracts included in the service area. ii. Number of LMI persons iii. LMI percentage b. Income survey documentation (if applicable) that complies with the CDBG Income Survey Toolkit - HUD Exchange.
<p>LMI Limited Clientele</p>	<p>Per 24 CFR 570.208(a)(2)(i), documentation of one of the following:</p> <ol style="list-style-type: none"> 1. The Project will exclusively benefit a clientele who are generally presumed by HUD to be principally LMI (abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, and migrant farm works). <ol style="list-style-type: none"> a. The Project Application's scope of work must document that the activity is designed to be used exclusively by one of the presumed LMI groups listed above. 2. The Project will serve 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income. <ol style="list-style-type: none"> a. The Project Application must identify which of the following options the Project will use to demonstrate that at least 51 percent of beneficiaries are LMI. <ol style="list-style-type: none"> i. Proposed beneficiaries will have already undergone income verification due to participation in another program/activity with

Benefit to LMI Persons Subcategories	Required Application Documentation
	<p>income-eligibility requirements. The Project will utilize previously collected, verified data and documentation.</p> <p>ii. Proposed beneficiaries do not overlap with another program’s income-eligibility requirements. The Project will complete income verification to document Project beneficiaries are at least 51 percent LMI.</p> <p>3. The Project will have income-eligibility requirements which limit the service exclusively to LMI persons, as evidenced by the administering agency’s procedures, intake/Application forms, income limits, and other sources of documentation.</p> <p>4. Project is of a nature and in such a location that the Project’s beneficiaries are primarily LMI persons.</p>
LMI Housing	N/A
LMI Jobs	N/A

2.5.2.1 Determining Service Area

Determining the service area of an activity involves consideration of the nature, location, and accessibility of each activity, and the information contained within the Project’s description and scope of work. Service areas are based on the beneficiaries of recovery activities and/or types of facilities (e.g., work on roads and bridges, repair/replacement of public utilities, etc.); geographic features (e.g., locations of highway, rivers, hillsides, etc.); and local population characteristics (e.g., population size and density). Wherever possible, HCD leverages pre-defined service areas mapped by a government agency or utility service providers.

HCD anticipates that Projects that qualify under the Low- and Moderate-Income (LMI) national objective are primarily using the Low- and Moderate-Income Area Benefit (LMA) category. Once a Project’s service area is identified, HUD Low- and Moderate-Income Summary Data is used to determine if at least 51 percent of the residents are low- and moderate-income persons.

2.5.3 Urgent Need Mitigation

HUD’s Federal Register Notice [84 FR 45838](#) created a new national objective - Urgent Need Mitigation (UNM) for CDBG-MIT programs only. Projects using the UNM national objective must provide documentation that demonstrates a measurable and verifiable impact on reducing risks at the completion of the activity. UNM Projects must meet the following:

- Address the current and future risks as identified in the Mitigation Needs Assessment.
- Result in a measurable and verifiable reduction in the risk of loss of life and property.

National Objective Category	Required Application Documentation
<p style="text-align: center;">Urgent Need Mitigation</p>	<p>Document the following:</p> <ol style="list-style-type: none"> 1. How will the Project address current and future risks as identified in the Mitigation Needs Assessment? 2. How will the Project result in a measurable and verifiable reduction in the risk of loss of life and property? 3. Explanation of what and how data will be collected to support the two items above.

2.5.4 Slum and Blight

Unless HCD receives prior approval from HUD, the slum and blight national objective designation may not be used for CDBG-MIT activities.

2.6 HUD Definition of Mitigation

All MIT-PPS Projects must meet the HUD definition of Mitigation to be eligible for funding. HUD defines Mitigation as:

- Activities that increase resilience 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.

2.7 Funding Provisions

Funds are awarded as grants for reimbursement of eligible costs. In order to meet the expenditure deadline, Subrecipients have three years from execution of an agreement with HCD to expend the grant. HCD may extend the expenditure deadline if needed.

HCD must ensure costs have been incurred and reviews invoices and/or receipts submitted prior to reimbursement. If at any time costs are deemed ineligible by HCD or HUD, the Applicant is responsible for repayment.

2.7.1 Project Award Cap

Maximum awards per project under the 2017 MIT-PPS program are capped at \$500,000. Exceptions to the maximum award amount will be considered on a case-by-case basis, accounting for the amount of funding needed beyond the award cap, the benefits of the proposed project, other funding included as leverage, and among other factors. There is no limit on the number of Project Applications an entity can submit; however, no single entity can receive more than a total of \$2,500,000 in CDBG-MIT funding under this program. This means that a Jurisdiction or Non-Profit Organization may not receive more than \$2,500,000 even if they receive an award for both components of this program – planning and public services.

Potential exceptions to the maximum award amount are reviewed on a case-by-case basis. Exceptions may be allowed if the result meets one of the prioritization goals below, particularly an increase in benefit to LMI individuals or communities and/or an increase in project goals within the MID.

2.7.2 Eligible and Ineligible Costs

CDBG-MIT awards under the Resilience Planning and Public Services Program may fund costs generally considered eligible within HUD’s CDBG guidelines, with consideration given to certain costs typically related to emergency management, disaster response, or disaster preparedness that are not generally eligible for CDBG funding but provide a demonstrable benefit to the community per the definition of a Mitigation activity.

2.7.2.1 Eligible Planning and Capacity Building Costs

Examples of eligible planning costs include, but are not limited to:

- Project costs related to the preparation and adoption of a plan, such as:
 - Studies
 - Analysis
 - Data gathering, preparation of plan
 - Identification of actions that will implement plans
- Equipment and software necessary to conduct the activity.
- Staff time for planning activities, including:
 - Coordination, collaboration, oversight, management of planning vendors.
 - Activities necessary to procure a planning vendor.
 - Quality Assessments/Quality Control and review of deliverables.

- Monitoring, reporting, invoicing, evaluation.
- Outreach and coordination with citizens and stakeholders.
- Coordination, compilation, development, or analysis of new or existing data and studies.

2.7.2.2 Eligible Public Services Costs

Examples of eligible public services costs include, but are not limited to:

- Labor, supplies, and materials to carry out the public service as well as costs to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.
- Staff time for public services activities, including:
 - Coordination, collaboration, oversight, management of public services vendors.
 - Activities necessary to procure a public service vendor.
 - Quality Assessments/Quality Control and review of deliverables.
 - Monitoring, reporting, invoicing, evaluation.
 - Outreach and coordination with citizens and stakeholders.

2.7.2.3 Ineligible MIT-PPS Costs

The following items are ineligible uses of program funding:

- Construction or construction-related activities, including capital improvements to existing facilities.
- Engineering, architectural and design costs related to a specific Project (e.g., detailed engineering specifications and working drawings).
- Other costs of implementing plans.
- Income surveys.
- Immovable equipment purchase, lease, or maintenance.
- Purchase of land and buildings.
- Political or religious activities.
- Entertainment, including amusement, diversion and social activities, food and beverages associated with training and other work activities.
- Costs associated with preparation of the grant Application.
- Travel not associated with the training of staff.
- Donations and contributions, including cash, services or property.
- Fundraising activities.
- Investments in instruments or for the sole purpose of a return in investment.

2.7.2.4 FEMA HMGP Match Project Costs

2.7.2.4.1 Eligible Costs

Eligible FEMA HMGP costs are those activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in [83 FR 5844](#) published February 9, 2018; [83 FR 40314](#) published August 14, 2018; [84 FR 97](#) published January 9, 2019; and [84 FR 6813](#) published February 28, 2019. As such, CDBG-MIT funds may the fund required FEMA HMGP local non-federal share for Projects approved by Cal OES that meet the CDBG-MIT program requirements.

2.7.2.4.2 Ineligible Costs

FEMA HMGP Projects that are not related to an approved MIT-PPS eligible activity and/or do not meet program requirements are ineligible for funding. FEMA HMGP costs covered by another funding source and are a Duplication of Benefits as detailed in Section 2.7.3 are ineligible for funding.

2.7.3 Duplication of Benefits

All activities funded with CDBG-MIT must undergo a review and calculation for Duplication of Benefits (DOB) prior to funding awards and again prior to Project close out to ensure that duplicative assistance is not provided for the MIT-PPS Project in subsequent phases in accordance with the Stafford Act.

As HCD has the responsibility to ensure that MIT-PPS provides assistance only to the extent that the Mitigation need has not been fully met by funds that have already been paid, or will be paid from another source, the Applicant must document in the Application all funds obtained for the same purpose as the MIT-PPS Project from the date of the disaster until the date of the Application. HCD also reserves the right to require that the Subrecipient perform additional DOB checks throughout the course of the Project's period of performance to ensure there is no duplicative assistance. In the event there is any duplication, the agreement for funding shall include provisions requiring repayment to HCD by the Applicant, equal to any assistance later received from other sources for the same purpose as the CDBG-MIT funds.

A DOB condition exists when a program beneficiary, person or entity, receives benefits or assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. These multiple sources of benefits may include, but are not limited to, cash and other resources such as insurance proceeds, grants, FEMA, other local, state, or Federal programs, and private or nonprofit charity organizations (For further information to prevent a DOB see, Federal Register Notice published November 16, 2011 ([76 FR 71066](#)) and Federal Register Notice published June 20, 2019 ([84 FR 28848](#))).

2.7.4 Recapture of Funds

HCD is responsible for ensuring that the CDBG-MIT funds awarded by HUD comply with all federal, state, and local requirements. In situations where funds are disbursed to Applicants determined to be ineligible for assistance or are used for ineligible activities are handled, a Subrecipient may be required to repay all, or a portion of the disbursed funds through recapture, under the following conditions:

- Subrecipient does not comply with the terms of the Standard Agreement.
- A Subrecipient withdraws from the Program prior to completion of the Project and/or fails to meet a national objective.
- A Project does not meet the requirements specified in this section, Section 2 Program Requirements.
- A Subrecipient is found to have used program funds for an ineligible activity or cost.
- A Subrecipient receives assistance for the same purpose as the funded MIT-PPS Project including but not limited to insurance settlement funds, FEMA assistance, nonprofit assistance (a DOB).
- Funds are remaining after the Project is completed or the Standard Agreement has expired.

The above list is not exhaustive and other conditions may arise that will subject the Subrecipient to the recapture of funds. Recapture of funds are determined on an individual basis in accordance with 2 C.F.R. Part 200 and other applicable cost principles. Recapture provisions shall be included in the Subrecipient Agreement and any agreements entered into between the Subrecipient and other parties.

2.8 CDBG-MIT and Cross-Cutting Federal Requirements

HCD and its Subrecipients must comply with all applicable federal regulations and laws, including but not limited to the identified Cross-Cutting Federal Requirements below. Further, all MIT-PPS Projects must comply with any and all applicable State of California and locally adopted codes, regulations, and ordinances. This section provides a summary of the significant and applicable Cross-Cutting Federal Requirements for all MIT-PPS activities.

2.8.1 Americans with Disabilities Act

The Americans with Disabilities Act of 1990 (ADA) modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a Disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment. HCD ensures that reasonable modifications or changes to policies and

procedures are made in order to guarantee people with disabilities equal access to services and programs. Additionally, all activities are accessible, both structurally and administratively, to persons with disabilities. The requirement of ADA applies to all HCD, Subrecipients, and vendors.

2.8.2 Copeland Act's Anti-Kickback Provision

The “Anti-Kickback” provision of the Copeland Act (40 USC, Chapter 3, Section 276c and 18 USC, Part 1, Chapter 41, Section 874; and 29 CFR Part 3) requires that workers be paid weekly, that deductions from workers’ pay be permissible, and that contractors maintain and submit weekly payrolls.

The U.S. Department of Labor describes the Copeland Act’s Anti-Kickback as prohibiting contractors and subcontractors performing work on covered contracts from in any way inducing an employee to give up any part of the compensation to which he or she is entitled. The Copeland Act and implementing regulations also require contractors and subcontractors performing on covered contracts to pay their employees on a weekly basis and in cash or a negotiable instrument payable on demand and to submit weekly payroll reports of the wages paid to their laborers and mechanics during the preceding payroll period. Additionally, the Act’s regulations at 29 CFR §§ 3.5 and 3.6 list payroll deductions that are permissible without the approval of DOL and those deductions that require consent of DOL and prohibit all other payroll deductions.⁵

2.8.3 Contract Work Hours and Safety Standards Act

The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332; and 29 CFR Part 4, 5, 6 and 8; 29 CFR Part 70 to 240) applies to contracts over \$100,000 and requires that workers receive overtime compensation (time and one-half pay) for hours they have worked in excess of 40 hours in one week. Violations under this Act carry a liquidated damages penalty (\$10 per day per violation).

2.8.4 Force Account Labor

Force account labor occurs when a unit of local government is a CDBG-MIT Subrecipient or PA Match Applicant uses their own workforce to complete construction of an infrastructure Project. For MIT-PPS Projects, the use of force account labor requires advance review and approval by HCD. This may be documented by approval of a Project budget that includes force account labor as a line item. Subrecipients that proceed without prior approval risk disallowance of all incurred costs. The force account labor approval process is used for all MIT-PPS activities.

⁵ <https://webapps.dol.gov/elaws/elg/kickback.htm>

2.8.5 Equal Employment Opportunity Act

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal Contractors and federally assisted Contractors and subcontractors, who do over \$10,000 in government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin. The Executive Order also requires government Contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.⁶

2.8.6 Minority- and/or Women-Owned Business Enterprises

Minority owned businesses (Section 8(a)) must be at least 51 percent unconditionally and directly owned by one or more socially and economically disadvantaged individuals who are citizens of the United States (CFR Title 13 Part 124). Women-owned businesses must be at least 51 percent owned and controlled by women who are U.S. citizens (CFR Title 13 Part 127 Subpart B).

The Minimum Acceptable Outreach Standards Section 281 of the National Affordable Housing Act requires each participating Jurisdiction (i.e., Subrecipient) to prescribe procedures acceptable to the HUD Secretary to establish and oversee a minority outreach program. The program shall include minority and woman-owned businesses in all contracting activities entered into by the Subrecipient. Therefore, minimum HUD standards require that each Subrecipient's outreach effort to minority and women-owned businesses be:

- A good faith, comprehensive and continuing endeavor.
- Supported by a statement of public policy and commitment published in the print media of widest local circulation.
- Supported by an office and/or a key, ranking staff person with oversight responsibilities and access to the chief elected official.
- Designed to utilize all available and appropriate public and private sector local resources.

Under the minimum HUD standards cited above, the following guidelines are provided for use by Subrecipients implementing outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women. Each Subrecipient should:

- Develop a systematic method for identifying and maintaining an inventory of certified Minority- and Women-Owned Business Enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products.

⁶ 41 CFR Part 60

- Utilize the local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs.
- Develop informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs.
- Develop procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and supplies of goods and services.
- Sponsor business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations.
- Maintain centralized records with statistical data on the utilization and participation of MBEs and WBEs as contractors/subcontractors in all HUD-assisted program contracting activities.

Each Subrecipient, utilizing the standards and guidelines listed above, shall prescribe procedures and actions it undertakes in implementing a Minority and Women-Owned Business Enterprise outreach program. The above items represent basic outreach-related activities and are not all-inclusive actions a Subrecipient may undertake.

2.8.7 Fair Labor Standards Act of 1938, As Amended

The Fair Labor Standards Act of 1938, as amended (FLSA), establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-MIT funds finance only a portion of the Project. Excluding the exceptions listed below, all workers employed by Contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under HCD's MIT-PPS must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

In some cases, the State of California prevailing wage rate and the Davis-Bacon prevailing wage rates both apply. In such instances, the higher of the two wage rates prevails. Exceptions to the FLSA include:

- Construction contracts of \$2,000.
- Real property acquisition.
- Architectural and engineering fees.
- Other services (such a legal, accounting, construction management).
- Other non-construction items (such a furniture, business licenses, real estate taxes).
- Rehabilitation of residential property designed for fewer than eight families.
- Debris removal demolition, and/or clearance activities, unless related to construction (demolition and clearance as independent functions are not considered construction).

2.8.8 Davis-Bacon Labor Standards

The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal contracts or federally assisted contracts in excess of \$2,000 for construction, alteration, or repair (including painting and decorating) to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar Projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Prime Contractors and subcontractors on Davis-Bacon Act contracts in excess of \$150,000, or related Act contracts in excess of \$100,000, are also required, pursuant to the Contract Work Hours and Safety Standards Act, to pay laborers and mechanics one and one-half times their basic rates of pay for all hours over 40 worked on a covered contract in a workweek.

Subrecipients are responsible for ensuring that applicable Projects and services are in compliance with DBRA through the submission of certified payroll records and interviews of prime and subcontractor laborers. Supporting compliance documentation shall be uploaded to Grants Network. HCD ensures compliance through the review of DBRA documentation uploaded to Grants Network by the Subrecipients.

On September 15, 2015, HUD's Office of Community Planning and Development (CPD) issued Notice CPD-15-07⁷ on September 15, 2015 that provides guidance on pre-application costs and clarifies how cross-cutting requirements apply to CDBG-MIT activities. Notice CPD-15-07 includes clarification on the applicability of DBRA and states: "*the Davis-Bacon wage rates will not apply when:*

- *The grantee was not a party to the construction contract.*
 - *The construction work is fully complete before the owner applies for CDBG-MIT assistance.*

If construction work is ongoing when an application for reimbursement or financing of construction costs is submitted, then Davis-Bacon prevailing wage rates are applicable. Under regulations of the Department of Labor (DOL) at 29 CFR 1.6(g), where Federal assistance is not approved prior to contract award (or the beginning of construction if there is no contractor award), Davis-Bacon wage rates apply retroactively to the beginning of construction and must be incorporated retroactively in the contract specifications (pg. 7)."

Subrecipients shall follow HUD's guidance for all HMGP Match Projects. For construction Projects that were completed prior to December 1, 2020, the date HCD and HUD executed its grant agreement, Davis-Bacon prevailing wage rates are not applicable. For all Projects with construction that is on-going or completed after December 1, 2020, Davis-Bacon prevailing

⁷ <https://www.hud.gov/sites/documents/15-07CPDN.PDF>

wage rates apply retroactively to the beginning of construction and the Subrecipient must collect documentation to ensure that the prevailing wage rate has been provided to laborers since the beginning of the Project.

2.8.9 Limited English Proficiency

HCD follows the Safe Harbor rule, contained in HUD's final guidance⁸, to determine when to provide translation of vital documents. The Safe Harbor rule for written translation of vital documents is based on the number and percentages of the market area-eligible population or current beneficiaries and Applicants that are Limited English Proficiency (LEP). HCD ensures that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impairments) and Limited English Proficiency persons.

2.8.10 Section 3 of the HUD Act of 1968

Section 3 of the Housing and Urban Development Act of 1968 (Section 3), as amended, requires that economic opportunities generated by CDBG-MIT funds be targeted toward Section 3 residents. Section 3 eligible residents are low- and very-low-income persons, particularly those who live or reside in public or government assisted housing.

In accordance with Section 3, recipients using CDBG-MIT funding for housing or other public construction are required, to the greatest extent feasible, to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the Project area.

Projects assisted with MIT-PPS funds in excess of \$200,000 trigger Section 3 requirements. When triggered, best efforts must be made to extend Section 3 opportunities to verified Section 3 residents and business concerns to meet these minimum numeric goals: (1) 25 percent of the total hours worked on a Section 3 Project must be worked by Section 3 workers; and (2) 5 percent of the total hours worked on a Section 3 Project must be worked by Targeted Section 3 workers.

The Subrecipient and Subrecipient's Contractors shall comply with Section 3 and implementing regulation at 24 CFR Part 75. The responsibilities outlined in 24 CFR Part 75.19 include:

Implementing procedures designed to notify Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.

⁸ <https://portal.hud.gov/hudportal/documents/huddoc?id=finallep2007.pdf>

Notifying potential Contractors for Section 3 covered Projects of the requirement of Part 75, Subpart C and incorporating the Section 3 Clause set forth below in all solicitations and contracts.

Section 3 Clause

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted Projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and Applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking Applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

The contractor acknowledges that Subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or Subrecipient agreements, program regulatory agreements, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, annual reports detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

The Project Completion Report shall also include a Section 3 Summary Report of the total number of labor hours worked by all Contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 CFR 75.25(a). In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 Project does not meet or exceed HUD's 25 percent standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 Project does not meet or exceed HUD's five percent standard, the Subrecipient shall provide additional reporting on the qualitative nature of its activities and those its Contractors and subcontractors pursued, as defined at 24 CFR 75.25(b). The standards for hours worked by Section 3 Workers and Targeted Section 3 Workers are subject to change by HUD as published in the Federal Register.

MIT-PPS Projects are required to meet Section 3 requirements as shown above. Section 3 goals and objectives are set depending on the date of completion of each Project and Project bid dates. HCD staff ensures that Section 3 objectives are addressed through direct technical assistance with Subrecipients and file reviews of Projects.

HCD requires the following actions of all Subrecipients to ensure compliance with Section 3:

- Prepare and utilize a Section 3 Plan.
- Designate a Section 3 Coordinator.
- Take affirmative steps to follow the Section 3 Plan and document those efforts.
- Include the Section 3 Clause and the Contractor Certification of Efforts to Fully Comply with Employment and Training Provision of Section 3 in any bid packets for contracts on

CDBG-MIT Projects. Notify all bidders that adherence to the Recipient's Section 3 Plan is required for contracts and sub-contracts in excess of \$200,000.

2.8.11 Fair Housing

The Fair Housing Act requirements are adhered to when applicable, the Fair Housing Act requires all Grantees, Subrecipients, and/or developers funded in whole or part with HUD financial assistance for housing-related activities to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. HCD enforces the Fair Housing Act by ensuring that all Grantees, Subrecipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCD's website, where applicable.⁹ The Affirmative Marketing Plan must be in compliance with applicable Fair Housing Laws and demonstrate how the Applicant affirmatively furthers fair housing throughout applicable HCD mitigation programs.

2.8.12 Residential Anti-Displacement

When applicable, HCD and its Subrecipients shall make every effort to minimize displacement of families from their homes and/or neighborhood, according to the State of California's Residential Anti-displacement and Relocation Assistance Plan.¹⁰

2.8.13 Uniform Relocation Act and Real Property Acquisition

When applicable, HCD and its Subrecipients must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987 (URA or Uniform Act). The URA contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a Project or program in which HUD financial assistance is provided. The implementing regulations, 49 CFR Part 24, include steps which must be taken with tenant occupants, including those who are not impacted by the HUD assisted activity. URA was amended by Public Law 105-117.

Real Property

If MIT-PPS funds are used to acquire real property, HCD ensures that the property is acquired voluntarily and continues to be used for its intended (and approved) purpose, proper records

⁹ <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/provide-equal-housing-opportunities>

¹⁰ https://www.hcd.ca.gov/policy-research/plans-reports/docs/Appendix_D-Relocation_and_Anti-Displacement_Plan.docx

are maintained to keep track of it, steps are taken to protect and maintain it, and that if the property is sold, HCD is reimbursed for the CDBG-MIT share of the property's value.

This approach to the ownership, use, management, and disposition of property is complicated by two facts. First, the rules about property management and disposition differ slightly depending on whether a Grantee is a public-sector Grantee (the rules are generally more explicit for governmental Grantees). Second, the rules depend on the nature of the property. Real property (e.g., land, buildings) is treated differently than personal property (e.g., equipment, supplies, intangible property like copyrights) (Property Management and Disposition Regulations 24 CFR 570.503; all Subrecipients (subs) 24 CFR 85.32; 85.34, govt. subs 24 CFR 84.32; 84.34, nonprofit subs) (as amended by 2 CFR 200 as needed).

2.8.14 Financial Management

HCD ensures that its grant management as well as those administering MIT-PPS funds demonstrate conformity with financial management requirements shown in 2 CFR 200 and applicable Federal Registers. These requirements include, but are not limited to, areas covering Financial Management; Advances; Internal Controls; Accuracy of Report Information; Program Income; Salaries and Wages; Indirect Costs; Lump Sum Drawdowns; and Single Audit provisions pursuant to 2 CFR 200 Subpart F. HCD's financial management system is consistent with and in compliance with 24 CFR Parts 84, 85, and 570 (as applicable), which ensures that MIT-PPS funds are managed with high levels of accountability and transparency.

HCD's Monitoring and Compliance team ensures that the Subrecipient's financial management practices adhere to the following:

- Internal controls are in place and adequate.
- Documentation is available to support accounting record entries.
- Financial reports and statements are complete, current and reviewed periodically.
- Audits are conducted in a timely manner and in accordance with applicable standards.

2.8.15 Insurance and Property Management

For all Projects in MIT-PPS, all Subrecipients, with the exception of those in the PA Match Program, must procure and maintain insurance for the duration of the Subrecipient agreement to protect all contract assets from loss due to any cause, such as theft, fraud and physical damage. If CDBG-MIT funds are used to acquire real property or personal property, the Subrecipient is responsible for ensuring that:

- The property continues to be used for its intended (and approved) purpose.
- The Subrecipient keeps track of, and takes care of, the property.
- If the Subrecipient sells or disposes of the property within 5 years after the expiration of the Subrecipient agreement or a longer period as HCD deems appropriate, the

Subrecipient reimburses HCD for the share of the property's value according to the Standard Agreement.

2.8.16 Recordkeeping, Retention, and File Management

Record retention is a requirement of MIT-PPS. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or monitored by HUD.

HCD adheres to State of California record retention requirements, which require all records to be maintained for a period of five years after the CDBG-MIT grant closeout with HUD. This requirement is in line with 24 CFR part 570.490, or as required by applicable laws and regulations under 24 CFR parts 570.487, 570.488 and 570.502(a)(7). Exemptions to the five-year period are provided in the applicable laws and regulations under 24 CFR parts 570.487, 570.488 and 570.502(a)(7). Exceptions include, but are not limited to:

- If any litigation, claim, or audit, is started before the expiration of the five-year period, records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- When HCD is notified by HUD, or another federal agency, that the record retention period requirement has been extended.
- Records for real property and equipment acquired with CDBG-MIT funds must be retained for three years after disposition.
- When records are transferred or maintained by HUD, the retention requirements no longer apply to HCD.

HCD Subrecipients shall retain all records, such as financial records, supporting documents, statistical records, and all other records pertinent to the SA for a period of not less than five years after the fiscal year of their grant in accordance with CDBG-MIT record retention requirements. HCD notifies Subrecipients when the HUD grant has been closed. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the retention period, then all such records must be retained until completion of the actions and solution of all issues, or the retention period, whichever occurs later.

Every Subrecipient is required to establish and maintain at least three major categories of records: administrative, financial management, and Project files.

Administrative Records

These are files and records that apply to the overall administrative of the Subrecipient's CDBG-MIT activities. They include the following:

- Personnel files.
- Property management files.
- General program files: files relating to the Subrecipient's or contractor's Project information, standard agreement(s), program policies and procedures, and correspondence with Grantees, and reports.
- Legal files: articles of incorporation, bylaws of the organization, tax status, board or council minutes, contractors, and other agreements.

Financial Records

These include records such as the chart of accounts, cash receipts and disbursement journal, payroll journal, general ledger, and any applicable accounting policies and procedures. Source documentation (purchase order/change, paid invoices, payroll records, timesheets and attendance records, canceled checks, etc.), procurement files, bank account records, audit files, and/or another mechanism approved by HCD in writing for the specific grant, etc.

Project Files

These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

2.8.17 Procurement Policy

Subrecipients must follow federal, state, and local procurement rules when purchasing services, supplies, materials, and/or equipment. Subrecipients are required to adopt procurement procedures in 2 CFR 200.318 - 326. All procurement transactions funded in whole or in part with CDBG-MIT funds, regardless of dollar amount, must be conducted to provide "maximum open and free competition." 2 CFR 200.318(i) requires that Subrecipients maintain records sufficient to detail the significant history of each procurement.

Subrecipient procurement transactions shall also follow best practices of cost reasonableness and must meet the critical tests below. The costs must be:

- **Necessary:** The expenditures fill a necessary gap to address an unmet need that cannot be filled by another funding source, as demonstrated by completed DOB analysis for each Project/activity.
- **Reasonable:** This term is generally defined as what a prudent business would pay in a competitive marketplace. A cost can be allowable and allocable, and still not be what a prudent businessperson would pay.
- **Allowable:** The costs must be allowable under the eligibility requirements of CDGB-MIT funds.

- **Allocable:** The costs are logically related to or required in the performance of the Project contract. Many costs may be allowable but not related to the work required under the contract.

The Subrecipient is responsible for procuring Contractors and ensuring compliance with local, state and federal regulations. For active previously procured contract that the Subrecipient would like to apply towards a MIT-PPS Project, the Subrecipient must provide the procurement file to HCD for review. HCD program staff are responsible for identifying any concerns regarding conforming to the minimum procurement requirements found at 2 CFR 200.318 – 326. Compliance with all applicable local, state, and federal regulations will be certified by Subrecipients when financial reports are submitted to HCD and reviewed by HCD during Subrecipient monitoring visits.

2.8.18 Audit Trail

All records defined by the organization as important are captured in HCD's three record management systems: HUD's Disaster Recovery Grant Reporting System (DRGR), the State's Financial Information System for California (FI\$Cal), and the system of record, Grants Network. Together, these three systems are used to account for MIT-PPS funds, with Grants Network serving as the primary system of records. Grants Network contains both Subrecipient and Project level files including, but not limited to, Application and Project documentation, Subrecipient expenditure tracking, applicable procurement documentation, available funding, Subrecipient agreements and other agreements, financial management, labor compliance (Section 3 and Davis-Bacon), and citizen participation data. Grants Network ensures data security and oversight creating a clear audit trail of MIT-PPS.

All Subrecipient and Project data is secured in HCD's System of Record, Grants Network, in accordance with the State of California's CDBG-MIT Grant Administration Manual's retention policy.

Recordkeeping, including scanning and uploading to Grants Network, and filing of pertinent MIT-PPS documentation retention policies are to provide both a physical and an electronic record of activities so that documentation is available for audit purposes.

To protect personally identifiable information (PII), data security measures are in place. HCD, its Subrecipients, and Contractors take the following steps to protect PII:

- Limit collection of PII.
- Maintain hard copies of PII records in locked cabinets.
- Password protect access to electronic files containing PII.

Filing cabinet keys and electronic passwords are shared with program staff only. HCD releases records containing PII upon request, after verification, by federal and state auditor and other federal or state agencies for duplication of benefits (DOB) analyses.

2.8.19 Conflicts of Interest and Confidentiality

Conflicts of interest between covered persons (e.g., Applicants, recipients, program administrator, contractors, or program staff) and other parties are strictly prohibited by federal law. A “covered person” is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or any designated public agencies, or recipients that are receiving CDBG-MIT funds. Generally, no person who is a covered person, and who exercises or has exercised any functions or responsibilities with respect to CDBG-MIT activities and who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The conflict of interest regulations contained in the contract between the recipient and HCD prohibit locally elected officials, state staff, recipient employees, and consultants who exercise functions with respect to CDBG-MIT activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

2.8.20 Environmental Review

An environmental review must be performed on the Project prior to federal funds being committed or disbursed by HCD and Subrecipients. The environmental review shall document compliance with 24 CFR Part 58, NEPA, and all related laws, authorities, and executive orders. For MIT-PPS, each Subrecipient receiving MIT-PPS funds becomes the Responsible Entity for completing environmental reviews of all Projects and must submit complete Environmental Review Records and a Request for Release of Funds to HCD to grant the authority to use grant funds. Pursuant to 83 FRN 40314, HCD may accept another federal agency’s environmental review. Subrecipients are also responsible for ensuring compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse with a copy to HCD. No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. MIT-PPS does not reimburse Projects that have been determined to have a Finding of Significant Impact (FOSI).

Subsequent to submission of an Application by a Subrecipient for the use of MIT-PPS funds, there can be no **choice-limiting actions** on the part of the Subrecipient until environmental clearance is received in the form of an Authority to Use Grant Funds (ATUGF) or environmental clearance letter issued by HCD. The concept of prohibiting **choice-limiting actions** is to prevent the Subrecipient from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered “choice-limiting” actions. **Choice-limiting actions** are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition by the Subrecipient, construction, demolition of buildings or infrastructure, or rehabilitation or reconstruction of buildings or infrastructure. Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by Subrecipient to HCD for the amount expended, or suspension of the disbursement of funds for the affected activity.

Environmental Review Procedures

An environmental review that complies with the National Environmental Policy Act (NEPA) must be completed before CDBG-MIT funds are expended. However, HUD Grantees are permitted to adopt FEMA’s environmental review if that federal agency has previously performed an environmental review for assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In those cases, the work performed by FEMA and HUD must be exactly the same work.

For HMGP Match, and other federally funded match Projects, eligible Projects are able to adopt FEMA’s completed environmental review. If a Project’s scope changes beyond what was approved in the Project worksheet, an additional HUD environmental review must be completed. When adopting FEMA’s environmental review, the Subrecipient must obtain a completed copy of FEMA’s environmental review record and keep the copy in its Project file. If the environmental review documentation is not available, verification from FEMA or the California Governor’s Office of Emergency Services (Cal OES) is necessary.

For non-HMGP Match Projects, each Subrecipient is required to perform a NEPA environmental review on the Project prior to any choice-limiting actions. The Subrecipient is allowed to use MIT-PPS Program Activity Delivery funds to complete environmental reviews. Activity Delivery expenses for environmental compliance work for intended Project Applications may be incurred prior to the execution of the NTP provided that such expenses are eligible and are supported by documentation satisfactory to HCD. The environmental review shall document compliance with 24 CFR Part 58, NEPA, and all related laws, authorities, and executive orders. To process the environmental review for each Stand-Alone Project, use the steps below as a guide:

1. Once a Subrecipient enters into a Standard Agreement with HCD and is ready to submit an Application, the Subrecipient must submit all Environmental Review Records (ERRs) and request for release of funds (RROF), if applicable, to HCD for review. If the Subrecipient is using MIT-PPS activity delivery funds to complete the environmental review prior to issuance of the related NTP, the Subrecipient must notify HCD of their intentions in writing prior to expending any funds. If activity delivery funds will not be expended until after the NTP is issued, a written request is not necessary.
2. Upon receipt, review, and approval of a completed ERR, HCD provides the Subrecipient with an Authority to Use Grant Funds (ATUGF), if applicable, or environmental clearance letter.
3. Upon receipt of the ATUGF or environmental clearance letter and Notice to Proceed, the Subrecipient may incur Project costs and draw down funds.

For all Projects, Subrecipients are responsible for ensuring that MIT-PPS Projects are in compliance with the California Environmental Quality Act (CEQA) and obtain all necessary local and state permits.

Flood Insurance and Floodplain Elevation Requirements

The Subrecipient shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

Subrecipients must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to public facilities in flood hazard areas. All structures designed for public facilities use within a special flood hazard area (SFHA), or one percent annual chance, floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

3 Implementation Policies

3.1 Project Selection

3.1.1 Project Application Process

Applicants must use the Grants Network Program Portal to submit Project Applications in accordance with the instructions provided in a Notice of Funding Availability (NOFA).

An Application must be submitted by a single Applicant. The Applicant submitting the Application will be the Subrecipient should the Project be approved by HCD. If an Applicant chooses to partner with another entity, the Application must outline the roles and responsibilities of the partner(s) within the Project description, see Section 2.2 for more information.

3.1.2 Application Requirements

The purpose of the Application is to establish the eligibility and budget of submitted Projects, demonstrate that the Project adheres to program policies and grant conditions, identify and document all funding sources, and provide additional documentation to show compliance with state and federal regulations.

Applications must include the following criteria:

- Application summary to include:
 - Purpose of the project,
 - Expected outcomes,
 - Champions among decision makers and the communities
 - Threshold requirements
- Project objectives and priority considerations: how the project and proposed planning and public services activities advance communities' efforts to effectively recover and/or avoid loss from the effects of wildfire, earthquake, or flood and build resilience to anticipated impacts from future climate events through:
 - Recovery activities – activities to rebuild from impacts of disaster events including rebuilding housing, infrastructure, and economy
 - Building resilience – preventing and bouncing back from shocks and stressors
 - Meaningful engagement – active participation for community members including low- and moderate-income individuals
 - Intentional resilient design – design of buildings, landscapes, communities, and regions in order to respond to natural and manmade disasters and disturbances—as well as long-term changes resulting from climate change—including sea level rise, increased frequency of heat waves, and regional drought.

The detailed required information is as follows:

- Overall Project Description/Scope of Work
 - The overall Project description and scope of work provides a complete summary of the Project with supporting documentation that ties the project to MID area. The project description includes the ownership of the project and who benefits from the project. The scope of work includes a full description of activities.
- Eligible Activity Documentation
 - For Planning and Capacity Building Projects, identification of the end result of the Project and how it will be immediately actionable.
 - For Public Services Projects, identification and supporting evidence of whether the Project is a new service or a quantifiable increase in the level of an existing service.
 - For HMGP Match Projects, evidence of Project approval by Cal OES in addition to meeting either of the MIT-PPS eligible activities.
- National Objective Documentation
 - The service area must show the MID area benefit.
 - For LMI, the Subrecipient must complete a beneficiary form detailing demographic calculations and supporting maps/figures.
 - Urgent Need Mitigation documentation – resolution from the governing board stating that no other funding is available for this project.
- MID Documentation
 - Identification of the MID area impacted by the Project.
 - Map of the Project’s service area in relation to the MID area.
- Complete Cost Estimate/Budget
 - Complete list of all Project funds and sources of funds (CDBG, local, private, other state funds, federal funds, other).
 - Final budget (eligible activity costs and Project delivery costs).
- Duplication of Benefits
 - Complete list and supporting documentation of potentially duplicative funds for the same purpose (insurance, utility settlements, state and local grants, etc.).
 - Final duplication of benefits is calculated by the Subrecipient.
- Project Timeline
 - List of project milestones.

3.1.3 Application Review

HCD reviews all aspects of the Project Application, including scope, budget, eligibility, environmental review, legal/policy issues, procurement, and compliance. Applications are “complete” when all required documentation has been provided by the Applicant by the deadline. Applications received after the deadline are disqualified and not eligible for assistance.

Applications submitted prior to the deadline that are determined to be incomplete are afforded an opportunity to provide additional or clarifying information at the discretion of HCD. Applicants who need to provide clarification or additional documentation are notified by HCD staff. Applications are closed if there is no meaningful response within 30 days after the notification has been sent. The review process resumes when the requested information has been provided.

Once an Application has been approved, Applicants are notified of the decision by HCD staff.

3.1.4 Application Award Methodology

HCD evaluates Projects based on the eligibility requirements as outlined in Section 2 and the Application requirements detailed in Section 3.1.2.

If an evaluation of submitted Applications by HCD determines that the proposed Projects do not result in HCD meeting its grant-wide 50 percent LMI requirement, HCD reserves the right to reevaluate the program and weigh options for ensuring that MIT-PPS meets HUD requirements.

3.1.5 Authorizing Resolution

In order to complete the Application submission process, Applicants must submit an executed authorizing resolution on the template provided by HCD. Any deviation from the HCD authorizing resolution template language may delay implementation of that Applicant's Project(s).

The authorizing resolution documents each Applicant's authority to submit Applications and enter into a Standard Agreement between the Applicant and HCD for MIT-PPS. No agreement between HCD and an Applicant will be valid until the respective Applicant's authorizing resolution is submitted and accepted by HCD. If allowed by local policies, HCD can accept a resolution from the governing board authorizing specific Applicant staff to enter into a Standard Agreement and submit a Project Application on the Applicant's behalf.

3.2 Subrecipient Due Diligence

For HCD's Subrecipient capacity assessment, as required in Federal Register Notice 83 FR 5867, Applicants are required to provide documents and information as part of the Due Diligence process. As Subrecipients, Applicants are required to comply with the requirements, requests, and results of HCD's capacity assessment and maintain the capacity to carry out mitigation activities in a timely manner. The Due Diligence process may result in special conditions in the Standard Agreement to ensure the capacity to carry out mitigation activities in a timely manner. As such, the completion of the Due Diligence is a necessary prerequisite to entering into a Standard Agreement.

3.3 Technical Assistance to Subrecipients

HCD provides various types of technical assistance (TA) to Subrecipients and vendors throughout the program. The objectives of technical assistance are to initially aid the Subrecipient and vendors to clearly understand the program requirements and appropriately submit the Project Application. Also, HCD, through the provision of TA, supports Subrecipients to maintain their day-to-day compliance with federal and state regulations and program requirements. In addition, HCD performs a risk assessment to determine a Subrecipient's capacity and to identify deficiencies in complying with applicable grant and program requirements. According to the risk assessment results, HCD provides technical assistance and guidance to Subrecipients to improve their performance, develop or increase capacity, and augment management and technical skills. Some examples of technical assistance include:

- Verbal or written advice
- Formal training and workshops
- Documentation and guidance

HCD encourages eligible Applicants to reach out to HCD via email to schedule TA related to these Program Policies and Procedures, the NOFA, and Project Applications to ensure Applicants are prepared prior to the Application opening.

3.4 Activity Delivery Costs

The MIT-PPS Program allows for Project Activity and Activity Delivery Costs (ADCs). Project Activity costs are the costs associated with completing the work of the Project, such as data research and drafting the plan for a Planning project or providing the service for a Public Services Project.

Activity Delivery Costs (ADCs) are allowable costs incurred for implementing and carrying out eligible CDBG-MIT activities. ADCs cover the administrative costs of staff directly carrying out the implementation, management, or oversight of an activity. ADCs must meet federal cost principles, meet a national objective, and meet all other CDBG-MIT program requirements. There is no maximum cap on ADCs, but Subrecipients must show that ADCs are reasonable for the CDBG-MIT-eligible activity being carried out, as authorized under [24 CFR 570.201-570.204](#). If the proposed ADCs exceed 20 percent of the total Project cost, additional justification and documentation are required to justify the need for ADCs that exceed 20 percent of the total Project cost.

Examples of ADCs that may be incurred in a Planning or Public Services project include the following:

- Procurement activities to select a vendor to perform the Project activities.

- For instance, a Subrecipient may procure a contractor in order to develop an Evacuation Plan. The staff time related to developing the procurement solicitation, selecting a vendor from the solicitation responses, and executing a contract with the vendor would all be considered ADCs.
- General oversight and program management of partners and Contractors working on the Project.
- Staff time spent monitoring partners and Contractors related to the Project.
- Staff time spent completing reporting and compliance requirements for HCD.

3.4.1 Authorization to Incur Costs Before an Executed SA

There are two circumstances when ADCs may be incurred prior to the execution of an SA. First, with Program Manager or Section Chief written approval, ADC expenses for environmental compliance work for intended Project Applications may be incurred prior to execution of an SA between the Subrecipient and HCD provided that such expenses are eligible and are supported by documentation satisfactory to HCD. Second, with Program Manager or Section Chief written approval, other costs may also be incurred prior to the execution of an SA, such as the cost of procuring consultants and architectural, engineering, and other professional services required to prepare plans, drawings, specification, or work write-ups not more than 24 months prior to the Approved Project being set up in DRGR, provided the Subrecipient procured contracts are conducted in a manner consistent with 2 CFR 200,317 – 200.326, “Procurement Standards.”

To seek reimbursement, the Subrecipient must first receive written approval to incur the ADCs and then must submit a complete Financial Report through Grants Network.

In no event shall the Subrecipient’s activities authorized under these two exceptions be considered choice-limiting actions. Regardless of the authorization, it is still the responsibility of the Subrecipient to limit its activities and incurring of costs to comply with the choice-limiting action requirements.

3.4.2 Subrecipient ADCs with Incomplete Projects

If the initial Project(s) are unable to be completed, a review of the causes of the Project failure is performed. The Subrecipient needs to provide documentation demonstrating the cause of the Project’s failure for HCD to review. Depending on the specifics of the situation, HCD may require more evidence of the causes of failure during the review process.

If, after the review, the evidence demonstrates that the Project was put forth and preceded in good faith on the part of the Subrecipient, then HCD would consider a new eligible Project from the Subrecipient, as long as the initial ADCs can be shown to have contributed to the new Project. Prior to any funding of the new Project, a new capacity assessment, Project evaluation, and amended Standard Agreement with stricter grant conditions is required.

If the review shows that the Subrecipient acted in a reasonable manner, then the Subrecipient is allowed to put forth a Project proposal. If the Project put forth by the Subrecipient does not meet the program's eligibility requirements or does not sufficiently demonstrate that the initial Project's ADCs have contributed to the new Project, HCD shall open the outstanding funding for other Applicants to meet the MIT-PPS program requirements.

If it is shown that the Project failed due to egregious behavior or actions, including but not limited to conflicts of interest, fraud, waste, abuse, and similar types of issues or actions on the part of the Subrecipient, then any funding payments made toward the Project are required to be repaid and the Subrecipient is not allowed to put forth a new Project submission.

3.5 Undersubscription of Program Funds

Following a NOFA's Application review and approval process, if there are funds remaining, HCD may choose to hold another funding opportunity until all funds are awarded. In the event of an additional funding opportunity, HCD will provide notice of an upcoming NOFA as well as document any program design changes through an updated version of the program policies and procedures.

4 Program Operations

4.1 Subrecipient Agreements

HCD's Standard Agreement (SA) is the contractual arrangement between HCD and the Subrecipient which sets forth the terms and conditions by which CDBG-MIT funds must be utilized with regards to award Projects. Following the approval of Project Applications by HCD, HCD routes the Subrecipient's SA(s) for approval, and when ready, will be delivered to the Subrecipient for execution via Grants Network. Upon execution of the Standard Agreement and completion of NEPA documentation, Subrecipients may begin incurring eligible costs.

Each Standard Agreement includes the amount of funding committed to approved activities within it, the required reporting schedule and documentation required by each Subrecipient. HCD works with the Subrecipient to ensure timely and accurate reporting. HCD contacts Subrecipients on a regularly scheduled basis to obtain progress updates and to provide technical assistance as the programs progress forward through completion.

By executing HCD's Standard Agreement, the Subrecipient agrees to comply with all federal and state statutes, regulations, and rules that apply to the CDBG-MIT activities, as well as the requirements listed within the contract, in exchange for receiving the grant for the awarded activities. Some requirements must be fulfilled prior to incurring costs and/or prior to requesting funds from HCD.

HCD's Standard Agreement includes provisions based on [24 CFR 570.503](#) which includes, but is not limited to, the following components:

- Scope of work, which includes a description of the work to be performed, a schedule for completing the work, and a budget.
- Reports and recordkeeping requirements, defining the specific reports and the reporting dates, along with the particular records and the timeline for maintaining them in order to assist HCD in meeting HUD's recordkeeping and reporting requirements.
- Program income restrictions and requirements for funds generated as result of the activities funded in the contract, including HCD approval of program income expenditures, along with reporting requirements.
- Uniform administrative requirements, as outlined in both the federal Office of Management and Budget (OMB) and the California State Administrative Manual (SAM).
- Specific grant related requirements.
- Suspension and termination clauses, if HCD finds that a Subrecipient materially fails to comply with the terms of the contract, and that the contract may be terminated for cause.
- Reversion of assets clause, stating that upon contract expiration, the Subrecipient will transfer CDBG-MIT funds on hand to HCD, along with accounts receivable attributed to

the use of the CDBG-MIT funds (where they do not meet the definition of Program Income).

- Other provisions necessary to ensure compliance with the requirements of the Resilience Planning and Public Services Program.

HCD provides these documents to the awardee for signature. The documents are returned to HCD to execute the Standard Agreement approval process. Please note it can take multiple months to process a Standard Agreement with the state. This time can be reduced by promptly responding and providing requisite documentation.

4.2 Agreements Between Subrecipients and Contractors or Other Parties

Per 2 CFR 200.213, Subrecipients shall not enter into any agreement, written or oral, with any Contractor, vendor, or other party without the prior determination that the Contractor, vendor, or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

The term “other party” is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive grant funds from a Subrecipient to undertake eligible Projects.

Requirements of an agreement between the Subrecipient and any Contractor, or other party shall contain, but not be limited to the following:

- Compliance with all state and federal requirements including those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace Act.
- Maintenance of at least the minimum State-required Workers’ Compensation Insurance
- Maintenance of unemployment insurance, disability insurance and liability insurance which is reasonable to compensate any person, firm or corporation who may be injured or damaged during the performance of Project activities.
- Contractors shall:
 - Comply with the applicable provisions of the California Labor Code.
 - Perform the Project activities in accordance with federal, state and local housing and building codes, as applicable.
 - Provide security to assure completion of the Project(s) by furnishing the borrower and construction lenders with proof of sufficient insurance and performance and payment bonds, or other security approved in advance in writing by HCD, as determined by the particulars of each individual Project are required.

4.3 Document Retrieval Process

All documentation at each step of the process of the Project's life, from Application to grant closeout, must be submitted through the Grants Network Program Portal. This ensures that all the required documents are available for review and retrieval in one location. To submit or retrieve a document, the Subrecipient needs to enter their Project Workspace through the Grants Network Program Portal and upload the document into the proper location.

4.4 Disbursement of Funds

Payments are made directly to Subrecipients as reimbursements based on the documented completion of agreed upon Project milestones, as outlined in the Standard Agreement. Reimbursement-based means that Activity Delivery and Project costs must be incurred by the Subrecipient and documented as required by the terms of the Standard Agreement for payment of invoices. Please see HCD's CDBG-MIT Grant Administration Manual, Section V for additional financial management procedures and requirements.

4.4.1 Documentation of Expenditures

Grant Subrecipients are required to provide documentation to HCD to demonstrate that the committed funds have been used for eligible purposes. To receive reimbursement for eligible expenses, Subrecipients are required to submit draw requests that include the following support documents:

- Salaries: Timesheets demonstrating allocation of time and effort, activity reports or employee job descriptions and payroll registers
- Benefits: Invoices or receipts from insurance providers and/or approved benefit rates reflecting the employer's contributions
- Moveable Equipment: Invoices or receipts (must be approved equipment), procurement documentation (if applicable) and/or lease agreement (if applicable)
- Training Supplies/Materials: Invoices or receipts and procurement documentation (if applicable)
- Training: Invoices or receipts from contracted provider(s), procurement documentation for contractor, vendor contract and training attendance logs
- Travel: Travel Expense form detailing odometer reading or trip mileage using MapQuest or Google maps, time traveled, all points traveled, meals, lodging, tolls and parking, tips, purpose of trip and other expenses. See the State's Policy and Procedure Memorandum for travel.

4.4.2 Timeliness of Expenditures

Committed funds must be expended within three years of the start date within the Standard Agreement. Applicants are required to submit a plan that details how it will expend 100% of the

award within three years of the award date. Program staff verifies that the plan is feasible prior to award and on an ongoing basis post-award.

4.5 Reporting Requirements

Subrecipients are required to submit reports via Grants Network at times indicated in the Standard Agreement, in accordance with HCD and HUD reporting requirements. At a minimum, during the term of the Standard Agreement, on a monthly basis the Subrecipient shall submit to HCD a progress report which may address the following topics:

- Number of beneficiaries served.
- Various beneficiary demographic data.
- Data related to national objective compliance.
- Race and ethnicity beneficiary data, as applicable.
- Labor standards compliance reporting.
- Data related to Project performance measures included in the Standard Agreement.
- Project status.
- Expenditure status.
- Contract milestones status.
- Data related to the household demographics of Project beneficiaries.
- A description of the current status of the Project activity.
- A description of activities to be undertaken in the next reporting period.
- A description of problems or delays encountered in Project implementation and course of action taken to address them.
- Any questions that have arisen during implementation or a request for technical assistance.
- A description of actions taken to achieve Project milestones.

4.6 Monitoring and Compliance

HUD describes monitoring as an integral management control standard and requires any entity receiving HUD funding to monitor and evaluate program performance and compliance, see CDBG Regulation 24 CFR 570.501(b). HCD monitors Subrecipients for compliance with program guidelines and all applicable state and federal regulations. HCD staff monitors all CDBG-MIT programs and activities.

HCD is required to monitor its Subrecipients for compliance with:

- The requirements of the MIT program.
- FRN requirements applicable to the MIT program and any applicable waivers.

- Other federal regulatory guidance, such as Uniform Administrative Requirements, cost principles, and audit requirements outlined in 2 CFR 200.
- Specific conditions as stated in 2 CFR 200.205 and 200.207 respectively to mitigate the risk of the grant.
- The Standard Agreement with HCD, including amendments if applicable.
- The annual monitoring assessment and strategy.

Monitoring provides information about program participants, assesses quality of performance over time and is critical for making informed judgements about program effectiveness and management efficiency. It also identifies instances of fraud, waste, and abuse.

The Subrecipient is required to allow HCD, HUD, the State Auditor and any other state or federal agency seeking to monitor the Subrecipient access to all books, accounts, records, reports, files, and other electronic or paper documentation pertaining to the administration, receipt and use of federal funds necessary to facilitate such reviews and audits.

4.6.1 HCD's Monitoring of Subrecipients

HCD monitors its Subrecipients and Contractors/vendors, when applicable, based upon an assessment of risk posed by the Jurisdiction or Contractor/vendor and according to specific monitoring criteria per 2 CFR 200.331. HCD conducts a Risk Assessment on all Subrecipients and Contractors/vendors on an annual basis. In accordance with 2 CFR 200.221, 24 CFR 570.492 and 42.U.S.C Section 5304(e)(2), the risk assessment seeks to gauge Subrecipients capacity to implement program or Project, its compliance with the Standard Agreement, performance objective and assess operational risk. The goal of this process is to determine the highest risk areas across all CDBG-MIT activities and inform HCD with the programs, Subrecipients, and/or Contractors/vendors who require the greatest administrative oversight. The results of the risk assessment advise HCD of those high risk Subrecipients, Contractors/vendors for technical assistance, capacity training, scheduling frequency, and type of monitoring activities.

The Monitoring Plan provides HCD's responsibilities and procedures for monitoring its Subrecipients, as well as the Annual Monitoring Strategy. Two types of monitoring will be employed by HCD: desk monitoring and onsite monitoring. Both desk monitoring and on-site monitoring follow the same process as follows:

- HCD sends notification letter to the Subrecipient.
- Document collection and pre-monitoring work begins for the next 30 days after issuance of the notification letter.
- Entrance conference via teleconference for desk monitoring and in person for onsite monitoring.

- Review of documents, interview of Subrecipients, and request for additional documents.
- Exit conference via teleconference for desk monitoring and in person for on-site monitoring.
- Review of findings and concerns including next step discussion.
- Monitoring is concluded with a Monitoring Report which is issued to the Subrecipient within 30 days of the exit conference.

Desk Monitoring

Desk monitoring is conducted at the HCD office regardless of the location of the Subrecipient's office. It commences 30 days after the Subrecipient is notified via the notification letter. During the 30-day notification period, the Subrecipient will provide HCD with any documentation requested in the notification letter. A desk monitoring can either be area specific (e.g., Procurement and Contract, Environmental, Section 3, Financial Management) or a comprehensive review of the Project. Typically, desk monitoring is only conducted for low-risk to medium-risk Subrecipients and on some cases may trigger an onsite monitoring based on the findings of the HCD monitor. The outcome of the desk monitoring is communicated to the Subrecipient via an exit conference and in writing via a Monitoring Report.

Onsite Monitoring

During the onsite visit, HCD representative reviews files for compliance with applicable federal and program requirements. This review is similar to the desk monitoring process. To prepare for onsite visits, the HCD monitor uses information contained within Grants Network, the Standard Agreement, and Program Application. These may include items such as employee timecards, financial statements, Project file documents, draw requests, and policies and procedures provided by the Subrecipient. Typically, onsite monitoring is reserved for medium-high- to high-risk Subrecipients. This group of Subrecipients present the greatest risk to HCD's compliance with HUD's grant requirements. Onsite monitoring is intended to be a more comprehensive assessment of the Subrecipients' management of the MIT program in compliance with applicable federal, state and local regulations and requirements. This level of monitoring is performed at the Subrecipient's location and is more formal than a desk monitoring.

Generally, HCD does not monitor a Subrecipient's Contractor. Rather, HCD monitors the Subrecipient's monitoring of the Contractor since monitoring the Contractors is the responsibility of the Subrecipient. However, if HCD determines that a Subrecipient has not performed adequate monitoring of its Subrecipients or Contractors, HCD may directly monitor the Subrecipient or Contractor to confirm that applicable regulatory compliance is being provided. When necessary, the HCD representative arranges onsite Project inspections with the Subrecipient and its Contractors to confirm eligible CDBG-MIT activities are being conducted, eligible costs are being charged and that the required national objective is being met.

4.6.2 Subrecipient Monitoring Responsibilities

HCD requires the Subrecipients to develop their own monitoring plan for their Projects and Contractors that complete construction on CDBG-MIT funded Projects. Therefore, Subrecipients are responsible for carrying out their Projects to meet these compliance requirements. HCD monitoring plan is available for guidance to the Subrecipient to develop their own monitoring plan.

It is the responsibility of the Subrecipient to monitor Projects to ensure compliance with terms of the Standard Agreement and applicable regulations. Subrecipient monitoring should include:

- Ensuring Project scopes of work are consistent with the scope of work described in the Project Application.
- Monitoring Contractors for equal opportunity, federal and state labor standards and Section 3 requirements, as applicable.
- Following procurement processes in accordance with 2 CFR §200, state requirements, or local standards if higher.
- Project milestones are being met.
- Environmental reviews are completed and documented properly.
- Complying with the terms and conditions of the Standard Agreement with HCD, especially anti-fraud and abuse.
- Monitoring Contractors/vendors for federal compliance standards.
- Financial Management: internal controls, accounting, program income and record keeping are in compliance with 2 CFR 200 and CDBG-MIT costs are eligible, allowable, reasonable, and allocable.
- Documenting national objective compliance for all activities.

Please see the State of California's CDBG-MIT Grant Administration Manual, Section XVI for additional monitoring and compliance procedures and requirements.

4.7 Record Keeping

HCD's Standard Agreement with the Subrecipient is the contractual document that details the financial and recordkeeping requirements and standards for Subrecipients allocated funds to carry out specific eligible CDBG-MIT activities. Such reports and recordkeeping requirements, defining the specific reports and the reporting dates, along with the particular record and the timeline for maintaining them are to assist HCD in meeting HUD's recordkeeping and reporting requirements per Section 104(e); (a)(2)(D) and (a)(3)(b), §570.506 (records to be maintained), and §570.508 (public access to records). Further record keeping requirements as detailed in 85 FR 4681 and per HCD's agreement with HUD include, but are not limited to:

- Executed agreement(s)

- Description, geographic location and budget of each activity
- Eligibility and national objective determinations for each activity
- Evidence of having met a national objective
- Evidence of having met the MID criteria
- Evidence of having met the LMI criteria
- Standard Agreement
- Any bids or contracts
- Characteristics and location of the beneficiaries
- Compliance with special program requirements
- Personnel files
- HUD monitoring correspondence
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records
- Environmental review records
- Documentation of compliance with crosscutting requirements (e.g., Davis-Bacon, Uniform Relocation Act, and Lead-Based Paint, etc.)
- Budget and expenditure information
- Chart of accounts
- Accounting procedures
- Accounting journals and ledgers
- Source documentation (purchase orders, invoices, canceled checks)
- Procurement files (including bids, contracts, etc.)
- Real property inventory
- Draw down requests
- Payroll records and reports
- Financial reports
- Audit files
- Relevant financial correspondence
- The status of the Project and/or activity

Further, Subrecipients are required to maintain financial records and submit the financial reports sufficient to ensure compliance with all recordkeeping and reporting requirements. Per the Standards for Financial Management Systems, accounting records must be supported by source documentation such as canceled checks, invoices and demands, payrolls, time and attendance records, contract and sub-grant award documents, etc.

At any time during the term of the Standard Agreement, HCD may perform or cause to be performed an independent financial audit of any and all phases of the Subrecipient's Project(s). At HCD's request, the Subrecipient shall provide, at its own expense, a financial audit prepared by a certified public accountant. As stated in the State of California's CDBG-MIT Grant Administration Manual, Section V.J.1 on internal audits, all non-federal entities that expend \$750,000 or more in federal awards in a fiscal year are required to have a single audit for that

year in accordance with the Single Audit Act of 1984, Single Audit Act Amendments of 1996, and 2 CFR §200 Subpart F-Audit Requirements.

Subrecipients are required to maintain all books and records for five (5) years following the final closeout of the grant from HUD to HCD. Subrecipients are encouraged to convert all paper files to electronic files. However, if any litigation, claim, negotiation audit or other action involving the records has been started before the expiration of the five-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period, whichever is later.

4.8 Closeout

4.8.1 Closeout of a Standard Agreement

Initiation of Standard Agreement closeout must occur at least 90 days prior to the Standard Agreement expiration deadline. To complete closeout, MIT-PPS Subrecipients are required to submit the following to HCD for each Standard:

- The final request for funds.
- Evidence of a public hearing reporting the grant accomplishments and expenditures of each Project to the residents of the Jurisdiction.
- If applicable, the final Projects of the grant funding (planning studies, environmental review records, etc.).

HCD reviews the documentation and processes the final funds requests if all provided documentation and the circumstances of the Project warrant contract closeout. HCD disencumbers any remaining funds, if applicable, and updates all needed information in DRGR to show the activities and Projects are “completed.”

HCD reviews and updates the following in DRGR:

- The total amount of funds drawn down for the activity
- A final check for DOB
- The activity type
- The national objective
- The grant activity accomplishments

Once all documentation has been processed and DRGR has been updated, HCD sends a Closeout Letter to the Subrecipient, outlining all closeout requirements. HCD will update the next QPR regarding closeout of a Project’s Standard Agreement.

Subrecipients are required to retain CDBG-MIT records for a period of not less than five years after the fiscal year of their grant in accordance with CDBG-MIT record retention requirements. HCD notifies Subrecipients when the HUD grant has been closed.

4.8.2 HCD Closeout of HUD Grant

The closeout of the HCD grant is a process through which HUD determines that all applicable administrative and program requirements of the grant were completed. In general, a grant is ready for closeout when the following conditions are met:

- All individual activities were completed, met a national objective, and closed out in DRGR;
- All contracts (i.e., Standard Agreements) have completed closeout.
- All grant funds were expended in full or all remaining funds are planned to be returned to HUD.
- All reporting requirements were completed and submitted (except for the final report that is submitted during the closeout process, if applicable).
- Any special conditions of the grant were met.
- All audit and monitoring issues affecting the grant were resolved.

Once HCD has completed closeout of all program activities, HCD completes the Subrecipient Closeout Certification Form (HUD Form 40175) along with the Grant Closeout Checklist (HUD Form 40183) and submits these forms to HUD.

Within 90 days of the execution date of the Closeout Certification, HCD submits to HUD a copy of the final performance and evaluation report described in 24 CFR part 91 as well as Federal Financial Report SF-425 or a financial report that meets the criteria in 24 CFR part 570.489(d). These requirements must:

- Be sufficiently specific to ensure that funds received under this subpart are used in compliance with all applicable statutory and regulatory provisions and the terms and conditions of the award.
- Ensure that funds received under this subpart are only spent for reasonable and necessary costs of operating programs under this subpart.
- Ensure that funds received under this subpart are not used for general expenses required to carry out other responsibilities of state and local governments.

HCD may satisfy this requirement by:

- Using fiscal and administrative requirements applicable to the use of its own funds.
- Adopting new fiscal and administrative requirements.
- Applying the provisions in 2 CFR part 200.

If opting to satisfy this requirement for fiscal controls and administrative procedures by applying the provisions of 2 CFR part 200, HCD must comply with all requirements therein. Additionally, HCD must ensure that recipients of the state's CDBG-MIT funds comply with 2 CFR part 200.

Concurrent with the financial report is a final QPR as well as an update of all transactional data in DRGR. If an acceptable report is not submitted, an audit of the grant activities may be conducted by HUD.

Once a review has been completed by HUD, the HUD field office prepares a closeout agreement. The grant is considered closed on the date that the appropriate HUD official executes the closeout agreement. Any unused grant funds are recaptured by HUD as a course of the closeout process.

Note that grants cannot be closed out if there are open monitoring reports associated with the contract; all monitoring findings, concerns and requirements must be received and approved by HCD, and HCD must also receive a Clearance Letter stating the monitoring has been complete.

Appendix A: 2017 Round 2 MIT-PPS

5 Purpose and Scope

This addendum addresses program requirements specific to Round 2 of the 2017 MIT-PPS Program (2017 Round 2 MIT-PPS). Unless otherwise noted, for all other procedures and grant management requirements, the 2017 CDBG-MIT Planning and Public Services (MIT-PPS) policies and procedures apply to the administration of 2017 Round 2 MIT-PPS.

On January 8, 2021, HCD opened the 2017 MIT-PPS Program funding to Jurisdictions and Nonprofit Organizations. The NOFA closed for Application submissions on March 5, 2021. Following the review of submitted Applications, HCD awarded \$10,088,560 in MIT-PPS funds, leaving \$9,987,941.24 unawarded. Due to the undersubscription of the Program, HCD decided to release the remaining funds through a NOFA for a second round of funding.

This document sets forth policy and provides guidance for the 2017 Round 2 MIT-PPS Program. Subrecipients should review all applicable Cross-Cutting Federal Requirements, disaster specific [Federal Register Notices](#) and HCD's [2017/2018 CDBG-MIT Action Plan](#) and [Grant Administration Manual](#) for detailed discussions of CDBG-MIT procedures and requirements.

6 Program Requirements

Round 2 of the 2017 MIT-PPS Program will follow Section 2 of the MIT-PPS Policies and Procedures except where otherwise indicated below.

6.1 Eligible Activities

In addition to the eligible activity details and requirements set forth in section 2.1. of the MIT-PPS Policies and Procedures, public service Projects must meet the following.

Public service Projects submitted to HCD for funding must demonstrate a connection to the goals and objectives of local or regional planning documents. If there is a misalignment between planning documents and the proposed public service Projects, or planning documents are out of date, the Applicant will need to identify the schedule for updating the plans and explain the need for the public service Project, including how it will be connected to the updated plans.

6.2 Eligible Applicants

Eligible Applicants for Round 2 of the 2017 MIT-PPS Program includes Tribal Entities that meet the definition of Indian tribe under Section 4103(13(B) of Title 25 of the United States Code or the definition of Tribally Designated Housing Entity under 25 USC 4103(22). A Tribal Entity that does not meet the prior definition and is a federal recognized tribe or tribal consortium with contracting status as a California entity registered with the California Secretary of State under a 501(c)(3) status may only apply as a Nonprofit Organization.

All other eligible Applicant requirement set forth under Section 2.2 of the MIT-PPS Policies and Procedures remain in effect.

6.2.1 Subrecipient Grantee

Eligible Applicants may work with a Grantee, called a Subrecipient Grantee, to assist them in implementation of their proposed Project. A Subrecipient Grantee is a local government, special district, Tribal Entity, Nonprofit Organization, or other similar entity. A Subrecipient Grantee is not a for-profit-entity, a contractor, a developer, and not a beneficiary of CDBG assistance.

Applicants may submit an Application that includes a local government, special district, Nonprofit Organization, Tribal Entity, or other similar entity as a Subrecipient Grantee for a Project that meets program requirements. However, the single entity submitting the Application will be the Applicant of record and primary contact. If awarded, the Applicant will certify their capacity to carry out Project activities, will be the Subrecipient and fiscal agent to HCD, and will be wholly responsible for complying with all the HCD grant terms as the signatory of the Standard Agreement. Joint Applications will not be accepted. The Applicant is required to submit documentation that the Subrecipient Grantee is not debarred.

An entity meeting any of the characteristics of a Contractor, see Section 1.2, cannot be included in the Application as a Subrecipient Grantee. An entity meeting the definition of Contractor must be procured by the Applicant and enter into a services contract.

Subrecipients of HCD cannot engage in a Project with a Subrecipient Grantee unless the Subrecipient meets the following conditions:

- The Subrecipient provides a written monitoring plan of the Subrecipient Grantee for the proposed Project(s). The monitoring plan must demonstrate that the Subrecipient has sufficient understanding of the Program Requirements, the applicable federal and state regulations, and the capacity to monitor the work of its Subrecipient Grantees.
- Subrecipient provides the written agreement between the Subrecipient and the Subrecipient Grantee. If a Subrecipient is a CDBG entitlement community and has a Subrecipient agreement in place, they may use the agreement as a template or amend an existing agreement to include CDBG-MIT funds.
- For Subrecipient Grantees that are Tribal Entities: In addition to the written agreement, the Authorizing Resolution for Tribal Governments (included in the Grants Network Application files) must also be adopted in accordance with Tribal Law and signed by the appropriate Tribal official with a copy submitted to HCD at the time of the Application. The Tribal Entity must provide the appropriate governing documents, ordinances, or Tribal Laws at the time of Application.

For all cases in accordance with 83 FR 5844 Section 51(k), HCD must also assess the Subrecipient's capacity to execute and monitor the proposed Project(s) as a factor in the Project review.

HCD in its sole and absolute discretion will determine whether a proposed entity is an eligible Subrecipient Grantee. If the Application is approved by HCD, the Subrecipient may enter into an agreement with the Grantee of the Subrecipient for implementing the Project. The Subrecipient will be solely responsible for monitoring their Grantee and ensuring all state and federal requirements are met.

6.3 PPS Program Beneficiaries

Beneficiaries of the MIT-PPS program are individuals that benefit from participation in a Project administered by a Subrecipient. The Applicant must be able to provide information, including projected number, of beneficiaries the Project will serve. The MIT-PPS program design by HCD includes an emphasis that Projects must have a demonstrable benefit to individuals located in the MID, as well as the prioritized groups listed in the 2017 Round 2 MIT-PPS Program Thresholds found in Section 6.4. of this addendum.

6.4 2017 Round 2 MIT-PPS Program Thresholds

HCD has updated the Project eligibility criteria found in Section 2.3 of the MIT-PPS Policies and Procedures. Details on the 2017 Round 2 MIT-PPS program threshold compliance documentation, including, when applicable, lists of qualifying geographic areas and maps, are provided in Appendices B, C, D, and E.

FEMA HMGP match Projects are exempt from the 2017 Round 2 MIT-PPS program threshold requirement but must meet all other program eligibility requirements, as listed under Section 2.1.3. of the MIT-PPS Policies and Procedures.

Projects submitted for Round 2 of the 2017 MIT-PPS Program must meet **one** of the following thresholds:

- Benefit Low-Income Communities
- Benefit-Low Resource Communities
- Benefit Senior Citizens
- Benefit Persons with Disabilities Benefit Tribal Lands or Persons
- Benefit Households that Live in Affordable Housing
- Benefit Remote Community
- Benefit Non-English-Speaking Populations

6.5 Funding Provisions

The following funding provisions are specific to the 2017 Round 2 MIT-PPS Program and replace the requirements set forth in Section 2.7. of the MIT-PPS Policies and Procedures.

6.5.1 Minimum Project Award

Minimum awards per Project will be set at \$125,000. Exceptions to the minimum award amount will be considered for eligible FEMA HMGP match Projects, per Section 2.1.3., that request MIT-PPS awards under the threshold and for entities submitting Applications for related MIT-PPS Projects that count towards the minimum award amount. For example, an entity may submit one Application for a planning Project for \$50,000 and a separate Application to fund a \$100,000 public services Project to provide outreach and education about the plan. Together the Projects total \$150,000 and meet the minimum award amount.

6.5.2 Applicant Award Cap

There is no limit to the number of Project Applications an Applicant can submit; however, there is a \$1,500,000 cap on awards made per Applicant.

An Applicant may apply and qualify for an exemption from the Entity Award Cap by making a written request. Requests for the exception shall be submitted with the Project Application by the Application deadline. The Request must contain all of the following:

- Full Project budget(s), with the amount of funding needed beyond the Entity Award cap identified.
- Description of all relevant facts, evidence, and supporting arguments in support of the request, including the benefits of the proposed project(s), and other funding included as leverage,
- Statement certifying that there are no other sources available or anticipated to be available within the Project(s) performance period(s).

Once the request is submitted to HCD with the Application, HCD will not accept any further information or materials for consideration related to the Request. Based on the requested and submitted information, HCD in the exercise of its sole and absolute discretion, will determine if there is sufficient information to satisfy the conditions of the exemption, that is not subject to appeal.

7 Implementation Policies

Round 2 of the 2017 MIT-PPS Program will follow Section 3 of the MIT-PPS Policies and Procedures in addition to the following requirements or where the following requirements serve to replace prior policies and processes.

7.1 Project Selection

7.1.1 Project Application Process

Applicants must follow the following Project Application Process in order for their Application to be processed:

1. Submit the complete Project Application prior to the closure of the Grants Network Portal.
 - a. The Grants Network Portal will be opened by HCD to accept over-the-counter Applications for a period of six (6) months, or until all funds are awarded.
 - b. An Application must be submitted by a single Applicant. The Applicant submitting the Application will be the Subrecipient, should the Project be approved by HCD.
 - c. If an Applicant chooses to Partner with another entity or has a Subrecipient Grantee, the Application must outline the roles and responsibilities of the Partner(s) or Grantee within the Project description, see Section 2.2 for more information. The Applicant must include the draft agreement with Partner(s)/Subrecipient Grantee(s) to the Application.
2. Each Application will be evaluated in the order the Application is received until all funding has been awarded. HCD's review process ensures compliance with regulatory requirements and confirms the Project is consistent with Program Application requirements
3. A Subrecipient that cannot meet the Application deadline may request an extension in writing and deposited into the Grants Network Portal or as directed by HCD prior to the deadline. The HCD Workforce Development and Public Services Manager or Section Chief may approve the extension request at their sole and absolute discretion.
4. A deadline extension request shall be evaluated by HCD on a case-by-case basis. Following HCD's review, HCD shall notify the requestor of the final determination. In the event HCD needs additional information to complete the review of the extension request, HCD shall provide a follow up response within 60 days of receipt of the extension request.
5. If the program is undersubscribed, HCD may extend the Application period or reallocate to another CDBG-MIT program.

7.1.2 Application Requirements

The purpose of the Application is to establish the eligibility and budget of submitted Projects, demonstrate that the Project adheres to program policies and grant conditions, identify and document all funding sources, and provide additional documentation to show compliance with

state and federal regulations. The required information, as applicable, is as follows and HCD may modify and provide additional detail and instruction on the Application requirements:

- Organizational Documents
 - Articles of Incorporation
 - Bylaws
 - Any other governing documents in support of capacity of legal entity to transact business with HCD.
 - If a Tribal Entity Applicant must include Tribal governance documents, including but not limited to, Tribal constitution, Tribal ordinances or other tribal laws confirming the organization of the Tribal Official and Tribal Counsel and the Tribal Officials authority to sign on behalf of the Tribe and bind the Tribe to the terms and conditions of the HCD and Program documents.
- Authorizing Resolution
 - HCD provides a template for each Applicant type that must be used
 - Authorizing Resolutions must be duly adopted and executed in accordance with the Applicant's procedures and submitted to HCD at time of Application.
- Due Diligence (See Section 3.2)
- Overall Project Description/Scope of Work
 - The overall Project description and scope of work provides a complete summary of the Project and demonstrates how the Project meets the HUD definition of Mitigation and at least one program threshold. The Project description includes the ownership of the Project and who benefits from the Project. The scope of work includes a full description of activities.
- Eligible Activity Documentation
 - For Planning and Capacity Building Projects, identification of the end result of the Project and how it will be immediately actionable.
 - For Public Services Projects, identification and supporting evidence of whether the Project is a new service or a quantifiable increase in the level of an existing service.
 - For HMGP Match Projects, evidence of Project approval by Cal OES in addition to meeting either of the MIT-PPS eligible activities.
- National Objective Documentation
 - For LMI Projects, the Subrecipient must complete a beneficiary form detailing demographic calculations and supporting maps/figures.
 - Urgent Need Mitigation narrative – Explain how once completed the Project will address the current and future risks as identified in the HCD Mitigation Needs Assessment; and (ii) will result in a measurable and verifiable reduction in the risk of loss of life and property. Please note: Subrecipients will be required to submit documentation of the measurable and verifiable reduction in risk upon completion of the Project.
- MID Documentation

- Identification of the MID area impacted by the Project.
 - Map of the Project's service area in relation to the MID area.
- PPS Program Threshold Compliance
 - Confirmation of the threshold the Project will meet and submission of corresponding compliance documentation. (Appendix B)
- Complete Cost Estimate/Budget
 - Complete list of all Project funds and sources of funds (CDBG, local, private, other state funds, federal funds, other).
 - All sources of funding required to complete the Project must be identified and secured or readily accessible.
 - Final budget (eligible activity costs and Project delivery costs).
- Duplication of Benefits
 - Complete list and supporting documentation of potentially duplicative funds for the same purpose (insurance, utility settlements, state and local grants, etc.).
 - Final duplication of benefits is calculated by the Subrecipient.
- Project Maps
 - Service area of the Project.
 - Census tract/block groups related to the service area of the Project.
- Project Milestones
 - Submission of at least three Project milestones, in addition to the first and last milestones as set by HCD.
 - First milestone: Activity Initiation, 60 days from Standard Agreement execution.
 - Second milestone: First draw of grant funds.
 - Third milestone: 50 percent project completion.
 - Fourth milestone: Reimbursement for 75 percent of grant funds submitted to HCD.
 - Fifth milestone: Project completion.
 - Sixth milestone: Submit final financial report and close-out documents to HCD for final approval by HCD, at least 120 days prior to contract expiration deadline.
 - Last milestone: Contract expiration deadline
- Operations and Maintenance Plan
 - Narrative describing how the eligible entity intends to operate and maintain the Project over time.

7.1.3 Application Review

HCD reviews all aspects of the Project Application, including scope, budget, eligibility, environmental review, legal/policy issues, procurement, and compliance. Applications are “complete” when all required documentation has been provided by the Applicant by the deadline. Applications received after the deadline are disqualified and not eligible for assistance. HCD will review Applications over-the-counter on a rolling first come, first served basis until the Application deadline or until all program funds are awarded, whichever comes first.

Projects that meet all eligibility requirements are submitted to HCD's Disaster Recovery Branch for final approval. Once an Application has been approved, Applicants are notified of the decision via email and an acceptance letter is uploaded to Grants Network.

Applicants that are recommended for awards will be contacted via email and provided with an opportunity to update program schedules or other data that may have aged during the Applicant review period. Applicants will have 10 days to respond to requests. Following the Application approval, HCD will work with the Applicant to execute a Standard Agreement.

Applicants that are not recommended for awards will be officially notified via letter from the Department that their Application was not awarded.

7.1.4 Application Award Methodology

HCD evaluates Projects based on the eligibility requirements as outlined in Section 2 and the Application requirements detailed in Section 3.1.2 of the 2017 Round 2 MIT-PPS Appendix.

If an evaluation of submitted Applications by HCD determines that the proposed Projects do not result in HCD meeting its grant-wide 50 percent LMI requirement, HCD reserves the right to reevaluate the program and weigh options for ensuring that MIT-PPS meets HUD requirements.

7.1.5 Authorizing Resolution

In order to complete the Application submission process, Applicants must submit an executed authorizing resolution on the template provided by HCD. Applicants that already have a resolution template are requested to embed the HCD template language inside of the Applicant's approved template. Any deviation from the HCD authorizing resolution template language may delay implementation of that Applicant's Project(s).

Applicants must submit the authorizing resolution template provided by HCD as is applicable to their entity type:

- Jurisdictions submit the jurisdiction authorizing resolution template.
- Tribal Entities submit the tribal authorizing resolution template.
- Nonprofit Organizations submit the nonprofit authorizing resolution template. Note, Nonprofit Organization Applicants that also meet the definition of Tribal Entity must submit both the tribal and nonprofit authorizing resolution templates.

The authorizing resolution documents each Applicant's authority to submit Applications and enter into a Standard Agreement between the Applicant and HCD for MIT-PPS. No agreement between HCD and an Applicant will be valid until the respective Applicant's authorizing resolution is submitted and accepted by HCD. If allowed by local policies, HCD can accept a resolution from the governing board authorizing specific Applicant staff to enter into a Standard

Agreement and submit a Project Application on the Applicant's behalf.

8 Program Operations

Round 2 of the 2017 MIT-PPS Program will follow Section 4 of the MIT-PPS Policies and Procedures in addition to the following requirements or where the following requirements serve to replace prior policies and processes.

8.1 Subrecipient Agreements

HCD's Standard Agreement (SA) is the contractual agreement between HCD and the Subrecipient which sets forth the terms and conditions by which CDBG-MIT funds must be utilized with regards to award Projects. Following the approval of Project Applications by HCD, HCD shall route the Subrecipient's SA(s) for approval, and when ready, will be delivered to the Subrecipient for execution via Grants Network. Upon execution of the Standard Agreement and completion of NEPA documentation, Subrecipients may begin incurring eligible costs.

Each Standard Agreement includes milestones for each Project, as identified by HCD and in the Project Application. All projects should be completed within 36 months of execution of the Standard Agreement. Additional time may be provided for the Project if sufficient reasons are provided and approved by HCD. All Projects must be completed at least 120 days prior to the contract expiration deadline, as defined in the Standard Agreement.

Each Standard Agreement includes the amount of funding committed to approved activities within it, the required reporting schedule and documentation required by each Subrecipient. HCD works with the Subrecipient to ensure timely and accurate reporting. HCD contacts Subrecipients on a regularly scheduled basis to obtain progress updates and to provide technical assistance as the programs progress forward through completion.

By executing HCD's Standard Agreement, the Subrecipient agrees to comply with all federal and state statutes, regulations, and rules that apply to the CDBG-MIT activities, as well as the requirements listed within the contract, in exchange for receiving the grant for the awarded activities. Some requirements must be fulfilled prior to incurring costs and/or prior to requesting funds from HCD.

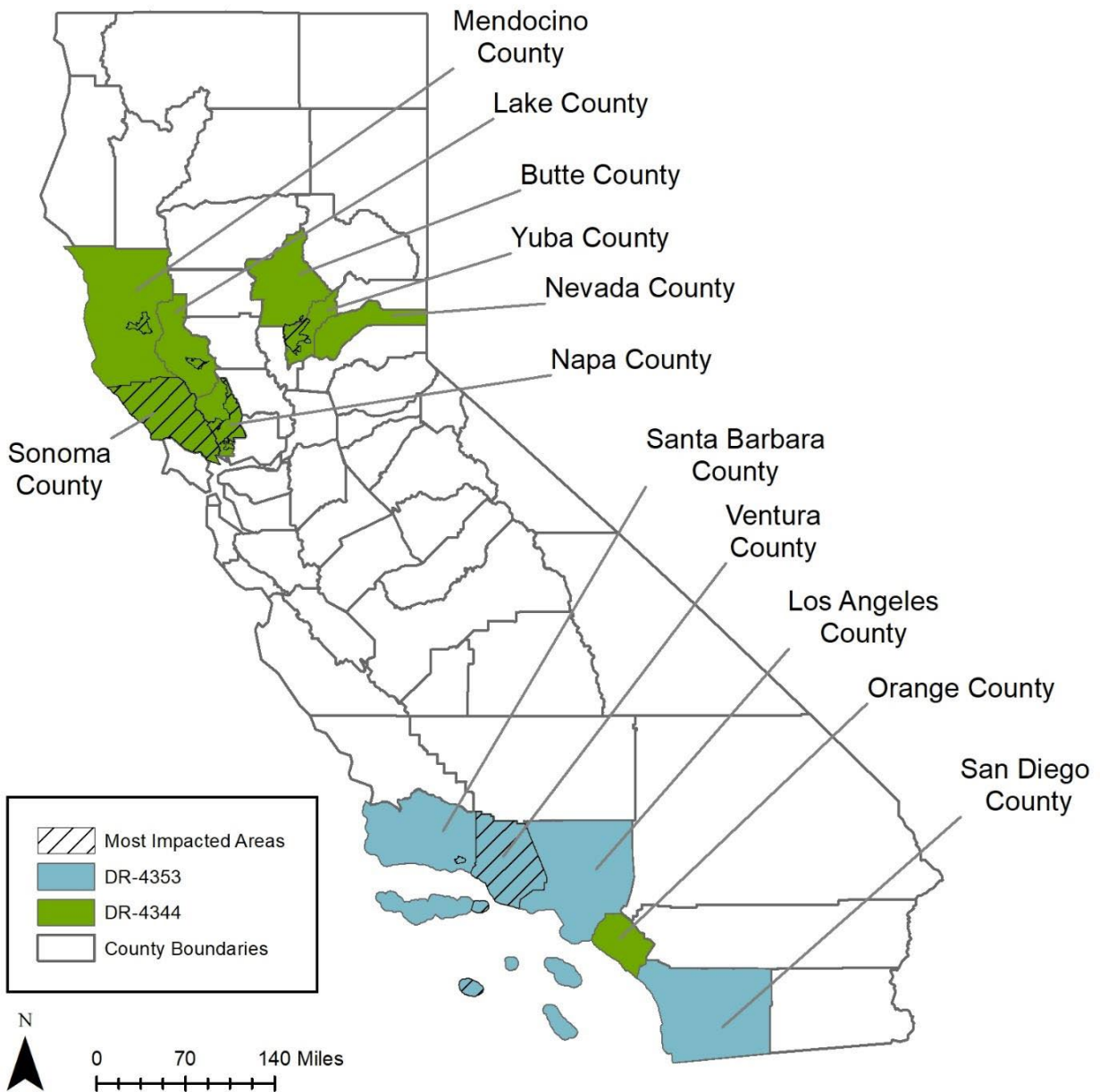
HCD's Standard Agreement includes provisions based on [24 CFR 570.503](#) which includes, but is not limited to, the following components:

- Scope of work, which includes a description of the work to be performed, a schedule for completing the work, and a budget.
- Reports and recordkeeping requirements, defining the specific reports and the reporting dates, along with the particular records and the timeline for maintaining them in order to assist HCD in meeting HUD's recordkeeping and reporting requirements.

- Program income restrictions and requirements for funds generated as result of the activities funded in the contract, including HCD approval of program income expenditures, along with reporting requirements.
- Uniform administrative requirements, as outlined in both the federal Office of Management and Budget (OMB) and the California State Administrative Manual (SAM).
- Specific grant related requirements.
- Suspension and termination clauses, if HCD finds that a Subrecipient materially fails to comply with the terms of the contract, and that the contract may be terminated for cause.
- Reversion of assets clause, stating that upon contract expiration, the Subrecipient will transfer CDBG-MIT funds on hand to HCD, along with accounts receivable attributed to the use of the CDBG-MIT funds (where they do not meet the definition of Program Income).
- Other provisions necessary to ensure compliance with the requirements of the Resilience Planning and Public Services Program.

HCD provides these documents to the awardee for signature. The documents are returned to HCD to execute the Standard Agreement approval process. Please note it can take multiple months to process a Standard Agreement with the state. This time can be reduced by promptly responding and providing requisite documentation.

9 Appendix B: Map of MID and Disaster Impacted Areas



10 Appendix C: 2017 Round 2 MIT-PPS Program Threshold Compliance Documentation

Threshold	Definition	Detail & Data Sources	Application Requirements
Benefit Low-Income Communities	<p>Project must meet HUD's Benefit to LMI Persons national objective:</p> <ul style="list-style-type: none"> • LMA: The area served by the project is 51 percent or more LMI. • LMC: Project benefits a specific group of persons rather than an area. 	<p>See HUD's Basically CDBG Chapter 3: National Objectives for more information.</p>	<p>Program threshold will not be met until national objective is confirmed at project completion. At Application, the following must be submitted:</p> <p>LMA:</p> <ul style="list-style-type: none"> • See the National Objective table in Section 2.4. for Application requirements. <p>LMC:</p> <ul style="list-style-type: none"> • Project beneficiaries must be 85% or more LMI, unless The Project will exclusively benefit a clientele who are generally

Threshold	Definition	Detail & Data Sources	Application Requirements
			<p>presumed by HUD to be principally LMI or Project is of a nature and in such a location that the Project's beneficiaries are primarily LMI persons.</p> <ul style="list-style-type: none"> • Proposal of how Applicant plans to meet LMC. Proposal is submitted at time of Application and will indicate which of the 4 options for meeting LMC, the Applicant will use. See Section 1.2.1 for more details.
Benefit Low Resource Communities	<p>Project must be located in a census tract with:</p> <ul style="list-style-type: none"> • A Social Vulnerability Index (SVI) of greater than 0.5 or a Local to State median income ratio of less than 0.8; AND • A total hazard risk percentile greater 	<ul style="list-style-type: none"> • OES Hazard Risk and Social Vulnerability Heat Map Dashboard (Update) (arcgis.com) • Cal OES Dashboard Export <ul style="list-style-type: none"> ○ Dataset includes: Hazard exposure data (total exposure, wildfires, flooding, earthquakes) Social vulnerability (CDC Social Vulnerability Index; 	<p>Project is located on or benefits a Low Resource Community Census Tract (See Appendix C)</p> <ul style="list-style-type: none"> • Identify in the Project Application the Census Tract(s) from provided list. • Provide map of Project location/service area

Threshold	Definition	Detail & Data Sources	Application Requirements
	<p>than 0.6 OR a single hazard percentile greater than 0.8.</p>	<p>median household income to median statewide household income ratio)</p> <ul style="list-style-type: none"> • CDC/ATSDR SVI Data and Documentation Download Place and Health ATSDR <ul style="list-style-type: none"> ○ Dataset includes: Poverty rate, other SVI inputs (race, elderly, disability, mobile homes) • Cal Enviroscreen 4.0 <ul style="list-style-type: none"> ○ Environmental justice dataset, with environmental impacts, social vulnerability factors, and disadvantaged communities designation ○ Census tract-level dataset; some overlap with the SVI Data • Statewide Affordable Housing Opportunities Sites (arcgis.com) <ul style="list-style-type: none"> ○ Identifies eligible sites for the state excess lands program 	<p>and selected Census Tract(s).</p>

Threshold	Definition	Detail & Data Sources	Application Requirements
Benefit Senior Citizens	51 percent or more of Project beneficiaries must be elderly households (62+)	HUD's elderly person definition : A household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.	One of the following: <ul style="list-style-type: none"> • Project is designed to serve elderly households. <ul style="list-style-type: none"> ○ Documented in Project scope of work and LMC national objective. • By census data, service area population of the Project is 51 percent or more elderly households. <ul style="list-style-type: none"> ○ Provide list of census tracts and map.
Benefit Persons with Disabilities	<ul style="list-style-type: none"> • 51 percent or more of Project beneficiaries must meet HUD definition of disabled OR • 51 percent or more of Project beneficiaries 	<p>HUD defines disabled persons under the LMC national objective, persons are considered disabled by HUD if they:</p> <ul style="list-style-type: none"> • Use a wheelchair or another special aid for 6 months or longer; 	One of the following: <ul style="list-style-type: none"> • Project is designed to benefit disabled <i>persons</i>: <ul style="list-style-type: none"> ○ Documented in scope of work and LMC

Threshold	Definition	Detail & Data Sources	Application Requirements
	must be households with a disabled person.	<ul style="list-style-type: none"> • Are unable to perform one or more functional activities (seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs and walking); • Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone); • Are prevented from working at a job or doing housework; • Have a selected condition including autism, cerebral palsy, Alzheimer’s disease, senility or 	<p style="text-align: center;">national objective</p> <ul style="list-style-type: none"> • Project is designed to benefit <i>households</i> with a disabled person: <ul style="list-style-type: none"> ○ Disability data from American Community Survey (ACS) and Survey of Income and Program Participation (SIPP) Census: Disability . ○ Note: Will only use LMA or UNM national objectives.

Threshold	Definition	Detail & Data Sources	Application Requirements
		dementia or mental retardation; <ul style="list-style-type: none"> • Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI). 	
Benefit Tribal Lands or Persons	<ul style="list-style-type: none"> • At least 51 percent of persons benefitting from the Project are tribal persons as defined by HCD <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • The Project is located on tribal land and designed to serve tribal persons. 	<ul style="list-style-type: none"> • Tribal lands is defined by HCD's HOME program, see Section 1.2 Terms and Definitions for more information. • Person living on tribal lands: A person whose primary residence is located on a tribal land per definition by HCD HOME program. 	<p>All Projects qualifying under this threshold must submit an adopted and signed Authorizing Resolution for Tribes with the Application to ensure tribal consent has been given.</p> <p>One of the following:</p> <ul style="list-style-type: none"> • Project is designed to serve tribal persons or be located on tribal lands. <ul style="list-style-type: none"> ○ Documented in scope of work and service area map.

Threshold	Definition	Detail & Data Sources	Application Requirements
			<ul style="list-style-type: none"> • Project is located on or benefits a Census Tribal Tract (See Appendix E) <ul style="list-style-type: none"> ○ Identify in the Project Application the Tribal Tract(s) from provided list. ○ Provide map of Project location/service area and selected Tribal Tract(s).
Benefit Households that Live in Affordable Housing	At least 51 percent of Project beneficiaries must be residents of an affordable housing community with units designated for affordability.	HUD affordable housing definition: <ul style="list-style-type: none"> • Housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities. 	<ul style="list-style-type: none"> • Project is designed to serve or be located at an affordable housing community where federal or state affordable housing program funding is included. (i.e., HOME funds, LIHTC, state program(s))

Threshold	Definition	Detail & Data Sources	Application Requirements
			<ul style="list-style-type: none"> Documented in scope of work/Project design by identifying program or funding source of the affordable housing community and its affordability period.
Benefit Remote Community	<p>The Project must be in or benefit one or more of the frontier and remote (FAR) area zip codes.</p>	<p>The U.S. Department of Agriculture Economic Research Service developed the FAR area zip codes using Census Bureau-defined Urban Areas based on:</p> <ul style="list-style-type: none"> A population size dimension: Frontier areas only include urban areas up to a certain size. A distance dimension: rural areas and smaller urban areas will be counted as frontier only if they are located beyond defined bands of proximity (measured as vehicle travel time) to larger urban areas. 	<ol style="list-style-type: none"> Identify the FAR area zip code(s) the project is located in or will benefit from the provided list (See Appendix D). Provide the following as documentation of the FAR area zip code(s) selection: <ol style="list-style-type: none"> Project location/address Map of Project location/service area within selected zip code(s).

Threshold	Definition	Detail & Data Sources	Application Requirements
Benefit Non-English-Speaking Populations	<p>At least 51 percent of Project beneficiaries are persons who are limited in their English proficiency (LEP).</p> <p>The Project must be in alignment with the Four-Factor Analysis for Limited English Proficiency if qualifying under this threshold.</p>	<p>Non-English-speaking persons are defined as:</p> <ul style="list-style-type: none"> • Individuals who, because of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand English can be limited English proficient, or “LEP.” 	<p>One of the following:</p> <ul style="list-style-type: none"> • Project scope of work outlines how Project is designed to serve non-English-speaking persons. • By census data, the service area population of the Project is 51 percent or more non-English speaking persons. <ul style="list-style-type: none"> ○ Provide list of census tracts and map. <p>Note: Four Factor Analysis results and documentation of LAP will be required as a Standard Agreement condition.</p>

11 Appendix D: Low Resource Community Census Tracts & Maps

2017 Round 2 CDBG-MIT Low Resource ‘Disaster Vulnerable’ Eligible Census Tracts, by county, based on the following threshold requirement:

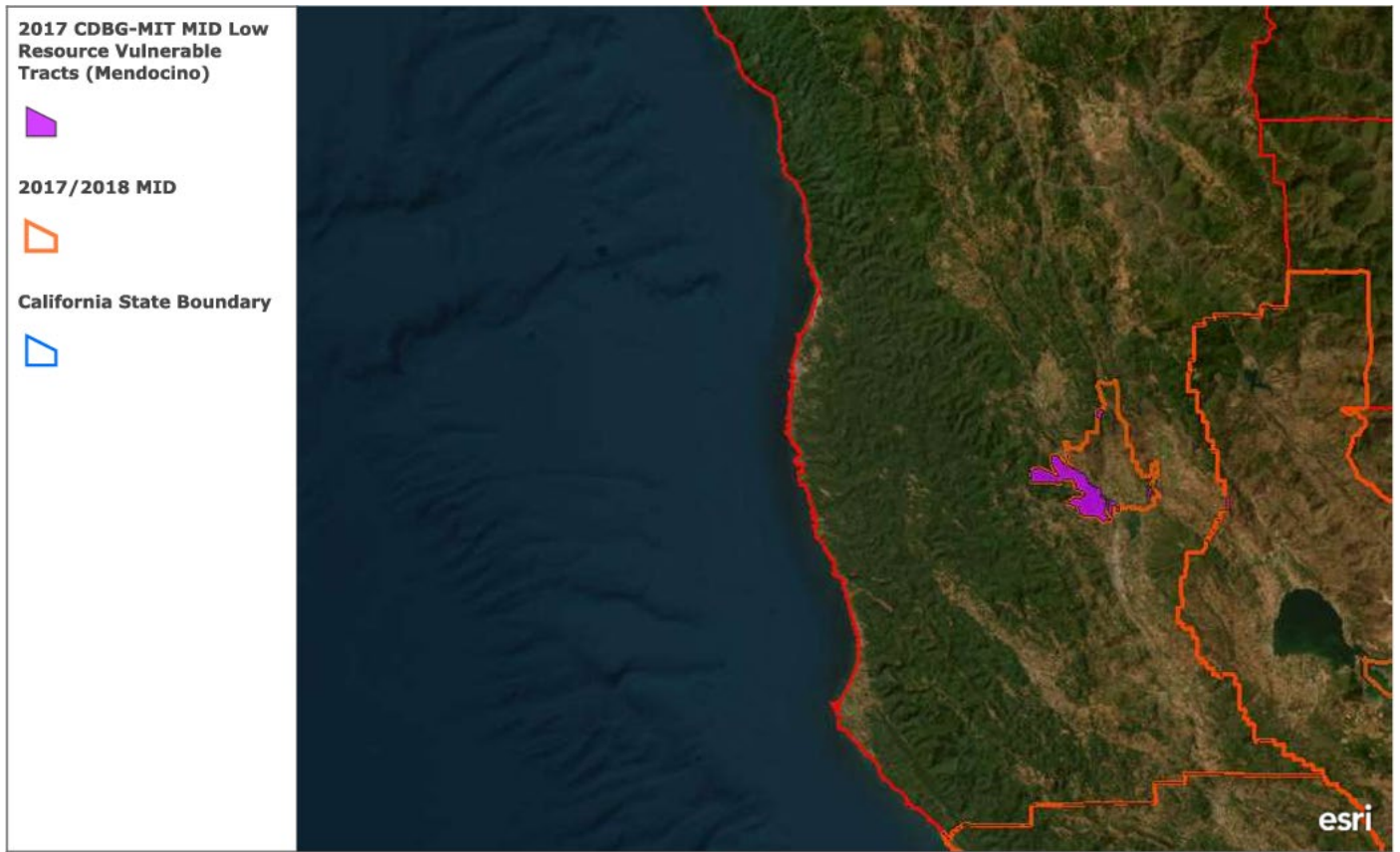
- SVI > 0.5 OR Median income ratio < 0.8

AND

- Total hazard percentile > 0.6 OR single hazard percentile > 0.8

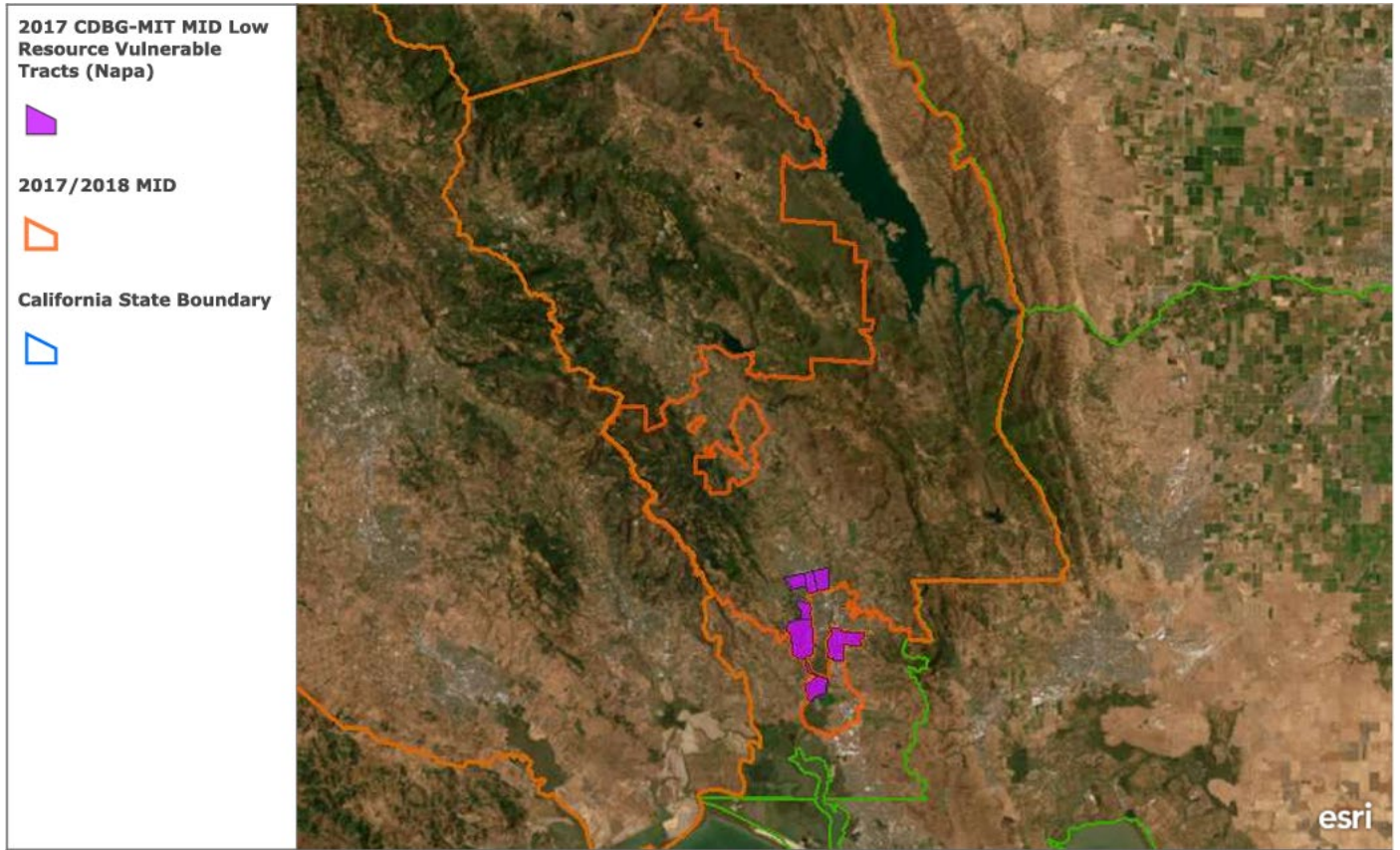
11.1 Mendocino County

Census Tract	County	Zip Code	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total_hazard_pct	SVI_over all _pct	Median Household Income
Census Tract 106	Mendocino County	95470	0.94	0.708	0.3202	0.07255	0.262	0.425	0.5854	\$ 52,386
Census Tract 108.02	Mendocino County	95470	0.94	0.708	0.3202	0.07255	0.262	0.425	0.5854	\$ 52,386
Census Tract 109	Mendocino County	95470	0.965	0.767	0.3201	0.05276	0.387	0.562	0.4117	\$ 59,348



11.2 Napa County

Census Tract	County	Zip Code	Fire_pct	Flood_pct	Quake_pct	Drought_pct	Heat_pct	Total_hazard_pct	SVI_over all_pct	Median Household Income
Census Tract 2003.01	Napa County	94558	0.72	0.916	0.8155	0.07964	0.194	0.694	0.9058	\$ 80,300
Census Tract 2005.01	Napa County	94558	0.539	0.899	0.8224	0.07977	0.218	0.589	0.6879	\$ 68,950
Census Tract 2005.04	Napa County	94558	0.7	0.876	0.8227	0.08001	0.236	0.688	0.7212	\$ 82,886
Census Tract 2007.04	Napa County	94558	0.7	0.875	0.8126	0.08064	0.226	0.674	0.6439	\$ 64,141
Census Tract 2008.02	Napa County	94558	0.78	0.907	0.8309	0.08188	0.211	0.742	0.5081	\$ 99,036
Census Tract 2008.04	Napa County	94558	0.772	0.876	0.823	0.08138	0.2	0.708	0.6242	\$ 75,125
Census Tract 2009	Napa County	94558	0.798	0.903	0.8281	0.08736	0.195	0.739	0.8025	\$ 9,191

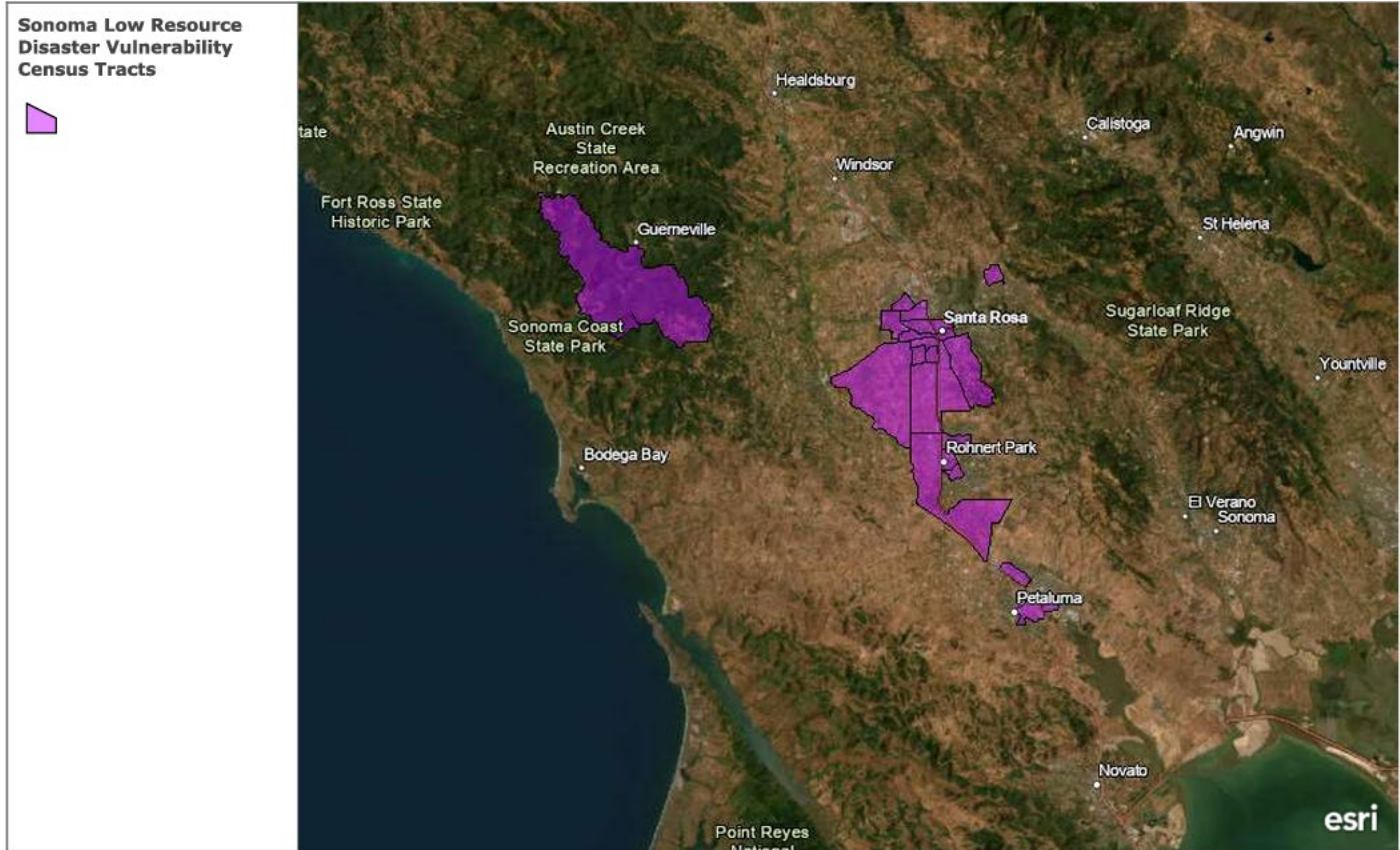


11.3 Sonoma County

Census Tract	County	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total_hazard_pct	SVI_ over all _pct	Median Household Income
Census Tract 1506.01	Sonoma County	0.47	0.85	0.41	0.00	0.12	0.20	0.56	\$ 90,114
Census Tract 1506.09	Sonoma County	0.72	0.85	0.69	0.00	0.15	0.54	0.61	\$ 78,160
Census Tract 1507.01	Sonoma County	0.73	0.84	0.56	0.00	0.13	0.45	0.54	\$ 87,025
Census Tract 1512.01	Sonoma County	0.84	0.82	0.45	0.01	0.18	0.47	0.57	\$ 72,985
Census Tract 1513.01	Sonoma County	0.60	0.98	0.40	0.01	0.19	0.39	0.68	\$ 62,809
Census Tract 1513.05	Sonoma County	0.64	0.99	0.40	0.00	0.19	0.42	0.55	\$ 52,375
Census Tract 1513.08	Sonoma County	0.72	0.99	0.40	0.01	0.19	0.48	0.57	\$ 65,119
Census Tract 1514.01	Sonoma County	0.80	0.76	0.40	0.01	0.44	0.54	0.53	\$ 71,539
Census Tract 1514.02	Sonoma County	0.76	0.96	0.40	0.00	0.19	0.48	0.85	\$ 50,059
Census Tract 1519	Sonoma County	0.51	0.90	0.40	0.01	0.20	0.28	0.69	\$ 50,282
Census Tract 1520	Sonoma County	0.44	0.95	0.40	0.01	0.21	0.27	0.58	\$ 49,856

Census Tract	County	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total_hazard_pct	SVI_ over all _pct	Median Household Income
Census Tract 1525.02	Sonoma County	0.77	0.80	0.46	0.04	0.22	0.45	0.56	\$ 58,125
Census Tract 1529.03	Sonoma County	0.58	0.83	0.74	0.05	0.21	0.51	0.81	\$ 70,136
Census Tract 1530.01	Sonoma County	0.50	0.99	0.74	0.05	0.22	0.57	0.74	\$ 54,106
Census Tract 1530.02	Sonoma County	0.52	0.99	0.63	0.04	0.21	0.51	0.64	\$ 81,911
Census Tract 1530.03	Sonoma County	0.52	0.99	0.67	0.01	0.20	0.52	0.67	\$ 65,701
Census Tract 1530.06	Sonoma County	0.63	0.98	0.74	0.05	0.20	0.64	0.55	\$ 69,722
Census Tract 1531.02	Sonoma County	0.52	0.97	0.46	0.01	0.20	0.36	0.72	\$ 81,189
Census Tract 1531.03	Sonoma County	0.59	0.97	0.71	0.01	0.20	0.58	0.67	\$ 60,640
Census Tract 1531.04	Sonoma County	0.49	0.97	0.55	0.01	0.20	0.41	0.93	\$ 52,132
Census Tract 1532	Sonoma County	0.75	0.97	0.55	0.01	0.19	0.58	0.68	\$ 69,280
Census Tract 1533	Sonoma County	0.78	0.96	0.70	0.04	0.18	0.68	0.75	\$ 79,528
Census Tract 1537.03	Sonoma County	0.87	0.92	0.27	0.01	0.33	0.53	0.47	\$ 59,761

Census Tract	County	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total hazard _pct	SVI_ over all _pct	Median Household Income
Census Tract 1542.01	Sonoma County	0.92	0.73	0.39	0.05	0.40	0.56	0.79	\$ 64,309



11.4 Ventura County

Census Tract	County	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total_hazard_pct	SVI_over all _pct	Median Household Income
Census Tract 1	Ventura County	1.00	0.74	0.26	1.00	0.97	1.00	0.31	\$ 59,028
Census Tract 10.02	Ventura County	0.92	0.85	0.25	0.77	0.71	0.94	0.53	\$ 78,277
Census Tract 12.01	Ventura County	0.93	0.79	0.26	0.76	0.09	0.75	0.69	\$ 69,960
Census Tract 12.04	Ventura County	0.95	0.95	0.27	0.77	0.69	0.97	0.61	\$ 78,818
Census Tract 13.02	Ventura County	0.90	0.27	0.26	0.76	0.09	0.40	0.76	\$ 45,909
Census Tract 2	Ventura County	0.98	0.86	0.38	0.77	0.97	0.99	0.77	\$ 50,000
Census Tract 21.02	Ventura County	0.80	0.93	0.89	0.77	0.25	0.97	0.27	\$ 51,250
Census Tract 22	Ventura County	0.81	0.93	0.86	0.77	0.59	0.97	0.87	\$ 55,000
Census Tract 23	Ventura County	0.82	0.93	0.86	0.77	0.54	0.97	0.78	\$ 51,989
Census Tract 24	Ventura County	0.75	0.93	0.89	0.77	0.24	0.96	0.65	\$ 38,621
Census Tract 28	Ventura County	0.80	0.66	0.47	0.76	0.11	0.73	0.55	\$ 76,250
Census Tract 3.02	Ventura County	0.99	0.95	0.32	0.77	0.90	0.99	0.83	\$ 76,067
Census Tract 3.03	Ventura County	0.96	0.93	0.30	0.76	0.76	0.98	0.52	\$ 86,500
Census Tract 3.04	Ventura County	0.97	0.95	0.30	0.77	0.81	0.99	0.76	\$ 75,200
Census Tract 30.10	Ventura County	0.37	0.97	0.47	0.76	0.09	0.65	0.77	\$ 70,486

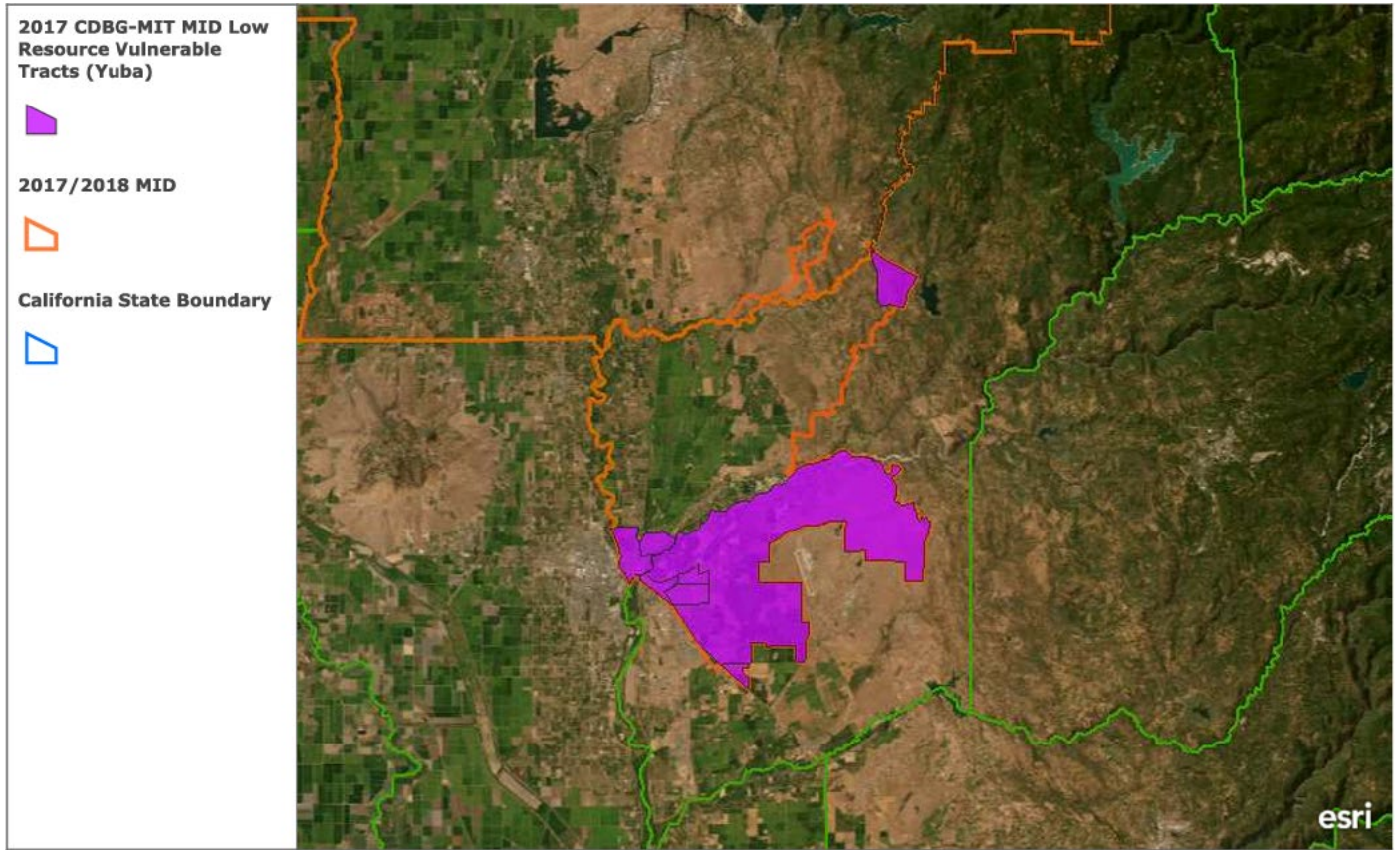
Census Tract 30.11	Ventura County	0.52	0.97	0.48	0.76	0.10	0.74	0.81	\$ 55,217
Census Tract 30.12	Ventura County	0.52	0.96	0.50	0.76	0.09	0.75	0.74	\$ 28,631
Census Tract 30.13	Ventura County	0.54	0.97	0.50	0.76	0.09	0.76	0.56	\$ 87,606
Census Tract 4	Ventura County	0.96	0.96	0.28	0.76	0.77	0.98	0.68	\$ 62,297
Census Tract 46	Ventura County	0.78	0.53	0.46	0.75	0.11	0.62	0.18	\$ 48,155
Census Tract 5	Ventura County	0.95	0.85	0.27	0.76	0.69	0.94	0.78	\$ 53,558
Census Tract 50.02	Ventura County	0.78	0.96	0.45	0.77	0.09	0.84	0.82	\$ 46,579
Census Tract 50.03	Ventura County	0.69	0.96	0.50	0.76	0.09	0.83	0.93	\$ 58,603
Census Tract 6	Ventura County	0.87	0.96	0.27	0.76	0.65	0.94	0.98	\$ 40,540
Census Tract 61	Ventura County	0.91	0.79	0.29	0.75	0.65	0.90	0.57	\$ 102,717
Census Tract 7.01	Ventura County	0.86	0.96	0.27	0.76	0.63	0.94	0.94	\$ 61,875
Census Tract 7.02	Ventura County	0.91	0.96	0.27	0.76	0.63	0.95	0.55	\$ 71,579
Census Tract 70	Ventura County	0.82	0.62	0.31	0.75	0.69	0.81	0.63	\$ 77,292
Census Tract 71	Ventura County	0.85	0.66	0.31	0.76	0.69	0.84	0.75	\$ 60,104
Census Tract 76.11	Ventura County	0.93	0.90	0.31	0.76	0.67	0.95	0.60	\$ 73,750
Census Tract 77	Ventura County	0.95	0.73	0.35	0.76	0.70	0.91	0.52	\$ 77,813
Census Tract 78	Ventura County	0.76	0.72	0.38	0.75	0.71	0.84	0.61	\$ 59,250

Census Tract 8	Ventura County	0.96	0.96	0.30	0.77	0.64	0.96	0.64	\$ 78,434
Census Tract 80.01	Ventura County	0.69	0.72	0.39	0.76	0.71	0.81	0.55	\$ 99,837
Census Tract 80.05	Ventura County	0.86	0.72	0.39	0.75	0.71	0.88	0.52	\$ 86,797
Census Tract 82.01	Ventura County	0.84	0.64	0.48	0.76	0.72	0.84	0.59	\$ 87,039
Census Tract 83.03	Ventura County	0.89	0.64	0.45	0.76	0.72	0.87	0.67	\$ 79,704



11.5 Yuba County

Census Tract	County	Zip Code	Fire _pct	Flood _pct	Quake _pct	Drought _pct	Heat _pct	Total_hazard_pct	SVI_over all_pct	Median Household Income
Census Tract 401	Yuba County	95901	0.754	0.82	0.0758	0.2622	0.642	0.588	0.8335	\$ 42,056
Census Tract 402	Yuba County	95901	0.749	0.823	0.0757	0.26356	0.643	0.588	0.7017	\$ 49,670
Census Tract 403.01	Yuba County	95901	0.65	0.823	0.0749	0.26431	0.668	0.542	0.8944	\$ 33,281
Census Tract 403.02	Yuba County	95901	0.708	0.822	0.0768	0.26406	0.647	0.563	0.9723	\$ 29,295
Census Tract 403.03	Yuba County	95901	0.729	0.824	0.0774	0.26369	0.664	0.589	0.6108	\$ 78,622
Census Tract 408	Yuba County	95901	0.853	0.723	0.049	0.26419	0.689	0.622	0.5666	\$ 77,303
Census Tract 409.01	Yuba County	95901	0.909	0.78	0.0254	0.2714	0.692	0.699	0.657	\$ 59,712
Census Tract 411	Yuba County	95901	0.994	0.588	0.0168	0.31869	0.648	0.634	0.5489	\$ 51,490
Census Tract 411	Yuba County	95901	0.994	0.588	0.0168	0.31869	0.648	0.634	0.5489	\$ 51,490



12 Appendix E: Tribal Lands Tracts and Maps

12.1 Mendocino County

County	Tribal Tracts
Mendocino County	825
Mendocino County	3115
Mendocino County	4030



12.2 Sonoma County

County	Tribal Tracts
Sonoma County	3985
Sonoma County	955