
COMMUNITY DEVELOPMENT BLOCK GRANT **DISASTER** **RECOVERY**

PLANNING PROGRAM GUIDELINES



MICHIGAN
ECONOMIC
DEVELOPMENT
CORPORATION



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VERSION

The version history of the policy guidelines is tracked in the table below, with notes for each change. The dates of each publication are also tracked in the table.

The MEDC will publish a new version after making substantive changes that reflect a policy change. The updated policy guidelines will be assigned a new primary version number such as 2.0, 3.0, etc.

After making 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, the MEDC will publish a version of the document with a sequential number increase behind the primary version number such as 2.1, 2.2, etc.

Amendments made to policy may go into effect on the date of the revision or may be applied retroactively. Whether a policy will be applied proactively or retroactively will be detailed in the version history below and/or within the relevant program sections.

Version Number	Date Revised	Key Revisions
1.0	February 2026	Original Michigan 2023 CDBG-DR Planning Program Guidelines

1. PURPOSE AND OVERVIEW

1.1. PURPOSE

The purpose of this policy guidelines is to provide the overall objectives, requirements, and process by which the Michigan Economic Development Corporation (MEDC) will award CDBG-DR funds to eligible applicants to prioritize projects that provide the essential planning foundation for long-term disaster resilience, hazard mitigation, and risk reduction across Michigan communities falling within Most Impacted and Distressed (MID) areas.

2. PROGRAM SUMMARY

2.1. PROGRAM OBJECTIVES AND PRIORITIES

The MEDC Planning Program will promote resilience throughout the State of Michigan by allocating funds to community planning efforts that aim to minimize future risks through intentional comprehensive and land use planning, building requirements, and zoning ordinances.

Mitigation and Resilience planning efforts are vital to guiding communities through the process of disaster recovery. Strategic planning efforts will further strengthen operational, organizational, and policy needs that may arise in a post-disaster environment and set the stage for efficient and effective recovery efforts and long-term resilience.

The MEDC Planning Program will allocate funds for mitigation and resilience planning at the state and local level for two general types of planning categories:

- 1) Hazard Mitigation Plans – Funding to support updating the State of Michigan Hazard Mitigation Plan and related education and outreach activities and for the development, update, or amendment and cost-share for local Hazard Mitigation Plans.
- 2) Resilience Planning – Funding non-competitive grants to communities to promote resilience through comprehensive plans, land use plans, site plans, zoning ordinances, building and energy codes, or evacuation planning.

The Program will open for application in February of 2026 and end when all eligible participants have completed project closeout, all budgeted funds have been expended, or 6 years after execution of the grant agreement with HUD.

The objectives of the Planning Program include assisting applicants in identifying and implementing strategies to make their communities' built environments more resilient to disasters. The MEDC encourages planning that reflects local priorities and enhances the safety of their citizens. The Planning Program is designed with flexibility to support a broad range of planning solutions that strengthen communities to withstand future disasters.

Planning funding should:

- Promote sound, sustainable long-term mitigation planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible floodplain management and consider future possible extreme weather events and other natural hazards and long-term risks.
- Coordinate with state as well as other local and regional planning efforts to ensure consistency and promote community-level and/or regional (e.g., multiple local jurisdictions) mitigation planning.

- Integrate mitigation measures into all projects and achieve objectives outlined in regionally or locally established plans and policies that are designed to reduce future risk to the jurisdiction.

2.2. BUDGET

Current allocation for the MEDC Planning Program is described within the table below, broken out by HUD/State-identified MID area. Allocations to this program are subject to change and will be amended within the Action Plan and this policy document.

Program	Budget	HUD-Identified MID Budget	Grantee-Identified MID Budget
2023 Planning	\$6,535,500	\$5,228,400	\$1,307,100

2.3. TIE-BACK TO THE DISASTER

Between August 24 and August 26, 2023, the state of Michigan experienced widespread severe storms, tornadoes, and flooding across the southeastern portion of the state.¹ Severe thunderstorms rapidly developed on the evening of August 24, resulting in a cluster of storm weather that moved south through lower Michigan. Hazardous winds as strong as 60-80 mph downed trees and powerlines, resulting in roughly 500,000 households without power in lower Michigan. These environmental conditions also resulted in multiple tornadoes, with Ingham County experiencing an EF-2 (Significant) rated tornado. This storm tracked into Livingston County prior to weakening and dissipating. In total, this tornado traveled 12 miles and was the strongest and longest in duration of any tornado detected that day and resulted in a fatality within Ingham County. Other weaker tornadoes were detected in Wayne and Monroe counties; however, these tornadoes still resulted in 80-105 mph winds. In total, 6 tornadoes impacted southeast Michigan during the disaster event.

DR-4757² was a severe storms, tornadoes, and flooding event. In keeping consistent with the state of Michigan's Hazard Mitigation Plan, flooding has been prioritized in all applicable mitigation and resiliency assessments. All projects in both planning categories (Hazard Mitigation Planning and Resilience Planning) will support efforts to mitigate flooding. Additionally, funding will be provided via the Planning Program to help communities plan based on those assessments.

2.4. MOST IMPACTED AND DISTRESSED AREAS

The Federal Register Notices (FRN) allocating these funds requires the State to allocate at least 80% of its total grant to activities that address unmet disaster needs or mitigation activities in the HUD-identified MID areas. For this Planning Program, 80% of the allocation is available for eligible HUD MIDs. The FRN allows the State to determine where to use the remaining 20% of its allocation, provided the funds are used to address unmet needs within areas that received a presidentially declared disaster declaration identified within DR-4757.

For the 2023 allocation, HUD identified the counties of Macomb, Monroe, Oakland Counties as the Most Impacted and Distressed, and the State also identified Eaton and Ingham Counties.

2.5. MITIGATION SET-ASIDE

The Federal Register Notices (FRN) allocating these funds require the State to allocate at least 15% of its grant to mitigate the risk of future disasters. HUD defines mitigation activities as those that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and

² FEMA. Michigan Severe Storms, Tornadoes, and Flooding [4757 | FEMA.gov](https://www.fema.gov/4757)

hardship, by lessening the impact of future disasters. The Mitigation Needs Assessment was undertaken to inform the use of the State's 15% mitigation set-aside requirement and to help build resilience and mitigation measures into recovery programs and plans. This program's allocation will go towards funding mitigation planning activities which will enable the State to meet the fifteen percent (15%) Mitigation Set-Aside requirement established by HUD.

2.6. MEETING A NATIONAL OBJECTIVE

Under the Universal Notice (90 FR 1754), HUD encourages robust planning as a critical component of disaster recovery. Clause 105(a)(12) of the HCDA authorizes planning and capacity-building activities, and the Universal Notice allows grantees to allocate up to 15% of their total CDBG-DR grant for planning costs—distinct from the 5% cap on administrative expenses (Universal Notice, §III.C.2; 90 FR 1754). HUD also waives 42 U.S.C. 5305(a)(12) and 24 CFR 570.483(b)(5) and (c)(3) for State grantees, replacing them with 24 CFR 570.208(d)(4), which presumes planning-only activities meet a national objective. This waiver enables States to fund a broader range of planning efforts, such as regional recovery strategies, hazard mitigation plans, and policy development, aligning their scope with entitlement communities (Universal Notice, §III.C.2; 90 FR 1754). Planning expenditures that benefit HUD-identified “most impacted and distressed” (MID) areas may also count toward the required 80% MID area benefit threshold (Universal Notice, §III.D.2; 90 FR 1754). These flexibilities are reaffirmed in the Allocation Announcement Notice (90 FR 4759), which incorporates the Universal Notice by reference.

2.7. FUNDING SOURCES

The U.S. Department of Housing and Urban Development (HUD) announced that the State of Michigan will receive \$43,570,000 in 2023 funding to support long-term recovery and mitigation efforts following severe storms, tornadoes, and flooding. The Michigan Strategic Fund (MSF) is the recipient of HUD's Community Development Block Grant – Disaster Recovery (CDBG-DR) funds. The MSF has a Memorandum of Understanding with the Michigan Economic Development Corporation (MEDC) (the “State” or “Grantee”) to administer the CDBG-DR funds on behalf of the State of Michigan.

To meet disaster recovery needs, the appropriations act(s) making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual CDBG-DR program to enhance flexibility and facilitate a quicker recovery. HUD has allocated \$43,570,000 in CDBG-DR funds to the State of Michigan in response to Severe Storms, Tornadoes, and Flooding (DR-4757) through the Allocation Announcement Notice published in the Federal Register Vol. 90, No. 10, [FR-6512-N-01](#). This allocation was made available through Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158).

2.8. PROGRAM ADMINISTRATION AND ALLOCATION

The Planning Program will be implemented in accordance with all HUD requirements including, but not limited to, CDBG-DR requirements as outlined in the Federal Register Notices allocating these funds and the corresponding Public Laws. At times, Federal Register Notices incorporate requirements published in previous notices.

The MEDC is the administrator of the CDBG-DR funds to support the Planning Program. Projects may be carried out by the MEDC, state agencies, or its agents, including eligible subrecipients will be implemented in accordance with all HUD requirements for CDBG-DR. The MEDC will provide program-wide oversight and monitoring activities for all applicable state and federal requirements in its administration of the Planning Program. The MEDC is available to offer technical assistance to recipients from the application stage through the completion of the projects to ensure that funds are appropriately used for the planning categories.

The MEDC will monitor all grant agreement expenditures for quality assurance and to prevent, detect, and eliminate fraud, waste, and abuse. The MEDC and the subrecipients are subject to Uniform Guidance Standards of 2 CFR

200³, which encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant in the state of Michigan.

Selected applications will be funded in the form of a grant for eligible applicants only. Funding will be allocated to the State to support efforts to update its HMP and for related education and outreach activities. Funding to local governing entities will be awarded on a first come first served basis for both Hazard Mitigation Plans, and Resilience Planning.

As stated, the MEDC Planning Program will allocate funds for planning at the state and local level for two categories:

- 1) Hazard Mitigation Plans – Funding to support updating the State of Michigan Hazard Mitigation Plan and related education and outreach activities and for the development, update, or amendment and cost-share for local Hazard Mitigation Plans.
- 2) Resilience Planning – Funding non-competitive grants to communities to promote resilience through comprehensive plans, land use plans, site plans, zoning ordinances, building and energy codes, or evacuation planning.

Recipients will enter into a Subrecipient agreement with the State and must comply with all applicable Federal and State rules guiding use of the CDBG-DR grant, as described within Federal Register, Vol. 90, No. 10, [FR-6512-N-01](#). Payments will be made on a reimbursement basis and program policies and procedures will detail reimbursement requirements.

2.9. ELIGIBLE USE OF FUNDS

This program allows for funding of activities as described in the HCDA Section 105(a)⁴:

- 105 (a)(8) Provision of Public Services (such as implementing education and outreach programs);
- 105 (a)(9) Payment of the non-Federal share required in connection with federal planning grants;
- 105 (a)(12) Activities necessary to develop comprehensive community development plans, and policy-planning-management capacity;
- 105 (a)(16) Activities necessary to develop energy use strategies; and
- 105 (a)(21) Provision of assistance to institutions of higher education to carry out activities described here.

2.10. HAZARD MITIGATION PLANS

The purpose of the **Hazard Mitigation Plan Funding** is to support State efforts to update its Hazard Mitigation Plan (HMP) and related education and outreach activities as well as provide funds for local governments in eligible areas to develop, update, or amend their HMPs in order to better understand hazard risks and support strategies to reduce risk and future losses. Without this Program, units of local government lack funding options to cover the expenses associated with developing and updating these plans. The program can also fund the local cost-share for FEMA HMPG (Hazard Mitigation Grant Program) funding allocated for development of an HMP.

FEMA and the Michigan State Police/Office of Homeland Security and Emergency Preparedness (MSP/OHSEP) are the lead agencies for enforcement of the requirements of 44 CFR §201.6⁵ ("Local Mitigation Plans"). HMPs must be submitted to the State Hazard Mitigation Officer (SHMO) for initial review and coordination with FEMA.

³ 2 CFR 200. Code of Federal Regulations. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

⁴ Housing and Community Development Act of 1974 (HCDA). Section 105: Eligible Activities. [Appendix A: HCDA Eligible Activities for States \(hudexchange.info\)](#)

⁵ 44 CFR 201.6. Federal Regulations. Title 44: Emergency Management Assistance. 201.6 Local Mitigation Plans. [eCFR :: 44 CFR 201.6 -- Local Mitigation Plans](#).

Subrecipients will be disbursed grant funds only after achieving pre-established milestone deliverables that are described within the terms of the grant agreement. Final payment is made after MSP/OHSEP and FEMA have approved the final draft. The FEMA guidance documents that describe the HMP process work in tandem to help units of local government navigate the process to develop, approve, and maintain HMPs. The MSP/OHSEP directs applicants and subrecipients to reference these guides when pursuing the mitigation activities under the FEMA Mitigation Planning program⁶.

2.11. RESILIENCE PLANNING

The purpose of the **Resilience Planning Funding** is to support a range of local level resilience planning projects. Fundamental community planning techniques can support and facilitate resiliency by minimizing future risks through planning mechanisms that are inclusive of but not limited to - intentional comprehensive and land use planning, zoning, flood prevention ordinances, building requirements and codes, energy codes, and evacuation plans. Communities funding the development establish a relationship with the State of Michigan Licensing and Regulatory Affairs to ensure priorities relating to code compliance align. For the purpose of this program, planning can include analysis or studies that guide the development of plans, ordinances, and codes.

2.11.1. Statewide and Local Mitigation Studies

Statewide mitigation studies are broad, strategic assessments conducted at the state level to identify and reduce risks from natural hazards across the entire state. These studies are typically formalized in a State Hazard Mitigation Plan (SHMP), which includes a hazard identification and risk assessment (HIRA), an evaluation of statewide infrastructure vulnerabilities, climate adaptation strategies, and a mitigation strategy with goals and prioritized actions. States use these studies to guide funding decisions under FEMA's Hazard Mitigation Grant Program (HMGP) and HUD's CDBG-DR/CDBG-MIT programs. They also support local jurisdictions by providing data, policy direction, and coordination frameworks.

Local mitigation studies are community-specific plans developed by cities, counties, or regions to address localized risks. These are often formalized in Local Hazard Mitigation Plans (LHMPs) and include detailed assessments of neighborhood-level hazards (e.g., flood zones, wildfire risk), housing resilience, evacuation planning, and mitigation actions tailored to the community's needs. Local studies inform project-level decisions and serve as the basis for applying for FEMA or HUD mitigation funding. They are more granular than state plans and focus on actionable projects that directly benefit local residents and infrastructure.

2.11.2. Long-Term Recovery Plan

A Long-Term Recovery Plan is a strategic roadmap developed by a disaster-impacted community to guide its rebuilding and restoration efforts over an extended period—typically months to years after the initial emergency response. Its purpose is to restore housing, infrastructure, economy, health systems, and environmental resources in a way that improves resilience and reduces future disaster risk. Unlike short-term recovery, which focuses on immediate stabilization and temporary fixes, a Long-Term Recovery Plan emphasizes sustainable redevelopment, hazard mitigation, and community-driven priorities. It is often developed collaboratively by local governments, state agencies, nonprofits, and residents, and serves as a foundation for funding decisions, policy changes, and alignment with federal programs like HUD's CDBG-DR.

⁶ Local Mitigation Planning Handbook https://www.fema.gov/sites/default/files/documents/fema_hmd_local-mitigation-planning-policy-guide_2025.pdf National Mitigation Framework <https://www.fema.gov/emergency-managers/national-preparedness/frameworks/mitigation>

2.11.3. Community Wildfire Protection Plans (CWPP)

A Community Wildfire Protection Plan (CWPP) is a locally developed strategy that identifies and prioritizes actions to reduce wildfire risk to communities, infrastructure, and natural resources. Authorized under the Healthy Forests Restoration Act of 2003, CWPPs are created collaboratively by local governments, fire departments, state forestry agencies, and community stakeholders. These plans typically include:

- Identification of high-risk wildland-urban interface (WUI) areas
- Assessment of local wildfire hazards and vulnerabilities
- Recommendations for fuel reduction projects, defensible space, and fire-adapted community practices
- Strategies for emergency response, evacuation planning, and public education
- Coordination with federal and state land management agencies

CWPPs help communities qualify for federal funding, guide mitigation investments, and align local priorities with broader wildfire resilience efforts.

2.11.4. Cost Sharing for FEMA-Approved Mitigation Projects

Cost sharing for FEMA-approved mitigation projects refers to the split of project expenses between federal funding and non-federal contributions. Under FEMA's Hazard Mitigation Assistance (HMA) programs – which include the Hazard Mitigation Grant Program (HMGP), Flood Mitigation Assistance (FMA), and Building Resilient Infrastructure and Communities (BRIC) – the standard cost-share formula is 75% federal and 25% non-federal. In practice, this means FEMA will generally pay up to 75% of eligible project costs, and the grant recipient (or subrecipient) must provide the remaining 25% from non-federal sources.

CDBG-DR funds may be used to cover the 25% non-federal cost share that a Subrecipient is otherwise required to provide.

2.11.5. Land Use and Comprehensive Plans, Zoning Ordinances

Land use and comprehensive plans, along with the zoning codes that often accompany them, formalize community goals into actionable policies that determine what can be built within a certain jurisdiction and where it can be built. Land use and comprehensive plans themselves serve as guiding documents that provide the framework by which regulatory structures are created—by themselves, these plans have no regulatory authority. Zoning codes take the ideas outlined in the land use and comprehensive plans and formalize those ideas into legally binding ordinances that ultimately shape how and where a community develops.

2.11.6. Housing Studies and Housing Plans

Housing Studies are in-depth analysis of a community's housing needs, conditions, and vulnerabilities in the wake of a disaster (or in preparation for future ones). They assess what was damaged, who is affected, and where the risks lie. Their purpose is to provide a factual basis for decisions – identifying how many homes need repair or replacement, evaluating the resilience of the housing stock (e.g. construction quality, code compliance), and pinpointing vulnerable populations (such as low-income renters, elderly homeowners, or others less able to recover). Methodologies typically include data collection on housing damage (e.g. FEMA Individual Assistance data, insurance claims), mapping hazard zones against housing locations, and using risk modeling tools (like FEMA's HAZUS for flood or wind impact) to estimate future vulnerabilities.

Housing Plans are forward-looking strategic documents that outline how the community will rebuild and improve its housing after a disaster, with a strong emphasis on resilience and hazard mitigation. A housing plan translates the findings of housing studies (and broader hazard assessments) into policy and project priorities. It typically covers restoring the housing supply (repairing or reconstructing homes), incorporating hazard mitigation principles – for

instance, requiring rebuilt homes to meet higher wind or flood standards – and addressing any pre-disaster housing challenges (like shortages of affordable housing) in the recovery process. Key components of a housing plan include: a risk-informed redevelopment strategy (deciding where it's safe to rebuild housing and where to discourage redevelopment), design standards for resilient construction (elevating homes in flood zones, using hurricane straps, fire-resistant landscaping, etc.), land use and zoning changes to steer development away from high-hazard areas, relocation or buyout policies for the most at-risk homes, and programs to assist special populations (such as grants for low-income families to rebuild safely).

Housing plans are often developed collaboratively by local government (planning and housing departments), with input from emergency managers, community organizations, and residents. They align closely with other plans – notably the FEMA-approved Hazard Mitigation Plan (HMP) and any HUD-required Action Plan for Disaster Recovery – to ensure housing initiatives receive funding and meet regulatory requirements. In essence, a housing plan serves as a blueprint for rebuilding communities in a way that reduces future disaster risk while restoring homes and neighborhoods.

2.11.7. Site Development Plans and/or Studies

Site development studies are used to assess the environmental constraints, hazard exposure, and sustainability of a location. These studies provide the technical foundation – such as soil conditions, flood risk, wildfire vulnerability, and ecological value – that informs the layout, design standards, and mitigation strategies in the site development plan.

Site development plans in the context of disaster recovery and resilience are detailed planning documents that guide how specific sites or redevelopment areas will be designed and constructed with hazard mitigation principles in mind. These plans go beyond routine land-use planning by explicitly incorporating strategies to reduce future disaster risk on that site. They typically encompass the layout of buildings, infrastructure, and open spaces, informed by analyses of the site's hazard exposure (e.g. flood zones, seismic faults, wildfire risk) and environmental constraints (wetlands, soils, topography). The goal is to ensure that new development or rebuilding on the site is safe, sustainable, and resilient against natural hazards. In practice, this means site development plans will align with a community's broader Hazard Mitigation Plan and resilience goals, applying measures like avoiding high-risk areas, strengthening infrastructure, elevating structures above flood levels, managing stormwater naturally, and maintaining defensible space in wildfire zones.

2.11.8. Economic Development Plans and/or Studies

An economic development study typically assesses the current conditions, vulnerabilities, and opportunities of a region - especially in relation to hazard exposure and resilience. It provides the data, analysis, and insights needed to inform the development of an economic development plan. The plan then builds on the study's findings to outline strategic goals, actions, and investments that promote safe, sustainable, and resilient economic growth.

Economic development plans in disaster recovery are strategic frameworks (often a Comprehensive Economic Development Strategy, or CEDS) that aim to rebuild and strengthen a community's economy after a disaster in a way that is resilient to future hazards. These plans go beyond traditional growth strategies by explicitly integrating hazard mitigation principles – ensuring that as businesses, infrastructure, and jobs are restored or expanded, they are also protected against natural threats. In effect, an economic development plan aligned with hazard mitigation will identify how the local/regional economy can “build back better”, safeguarding economic assets from hazards while promoting sustainable growth. FEMA and the U.S. Economic Development Administration (EDA) have emphasized aligning economic development planning with hazard mitigation planning, noting that this linkage helps communities “[connect] strategic priorities, leverage funding and invest in actions that reduce risks”. An economy that is planned with disaster resilience in mind is better able to withstand shocks and recover quickly, protecting both livelihoods and the tax base.

2.11.9. Flood Prevention Ordinances

Flood damage prevention ordinances provide the framework regulating what can be built in a floodplain, limited changes to the flows of waterways, and ensuring buildings are constructed at or above the base flood elevation. Adoption of a flood damage prevention ordinance, or some equivalent enforcement mechanism, is required for participation in FEMA's National Flood Insurance Program (NFIP). Adoption of higher regulatory standards—for instance, mandating construction at 2 feet or greater above base flood elevation—can make a community eligible to participate in the NFIP Community Rating System (CRS), which can reduce the flood insurance premiums for a community's property owners. Communities must work to ensure ordinances meet CDBG-DR requirements of at least one foot above base flood elevations (BFEs).

2.11.10. Building Codes

Building codes are the primary mechanism for communities to regulate the design and construction of new buildings and the renovation of existing buildings. At a minimum, codes reflect a community's accepted requirements for ensuring the safety of a building's occupants and people in proximity to buildings. Many communities rely on model building codes as the basis for their locally adopted code. Communities must work to establish codes that meet or exceed the standards set forth by the State of Michigan International Building Codes of 2021⁷.

2.11.11. Energy Codes

Energy codes enable local government to ensure new and rehabilitated construction meets minimum energy efficiency standards. Communities must work to establish codes that meet or exceed the standards established in the 2021 Michigan Energy Codes⁸.

2.11.12. Emergency Operations Plan

An Emergency Operations Plan (EOP) is a comprehensive yet succinct “blueprint” for emergency response. It describes who will do what, when, with what resources and authority before, during, and after an emergency. In practice, an EOP outlines an organization or jurisdiction's procedures and responsibilities for disasters, establishing the roles, functions, and authorities of all participating agencies and departments. It provides a framework for coordination and communication among those groups, guiding their actions and decisions to protect life and property, minimize damage and risks, and restore normal operations as soon as possible. Importantly, an EOP is not a rigid script; it's a flexible guide that can be adapted to the specifics of any incident, reducing chaos and confusion when a crisis strikes.

2.11.13. Evacuation Plan

Evacuation plans provide an opportunity for communities to develop or restructure their current plans in order to increase the capacity and capability to effectively protect their communities.

2.11.14. Continuity of Operations Plans (COOP)

A Continuity of Operations Plan (COOP) is a strategic blueprint for maintaining an organization's essential functions when normal operations are disrupted by emergencies or disasters. In simple terms, a COOP details *how an agency or business will keep its lights on* – by identifying its most critical services and establishing backup plans to continue those services during a crisis. Unlike an Emergency Operations Plan (EOP), which focuses on *immediate incident response* (saving lives, incident command, etc.), a COOP is focused on internal operational resilience – ensuring the organization itself can still operate and carry out its mission-critical duties despite the

⁷ 2021 Michigan Building Code. [2021 Michigan Building Code based on the International Building Code 2021 \(IBC 2021\) \(MIBC2021P1\)](#)

⁸ 2021 Michigan Energy Code. [2021 Michigan Energy Code based on the International Energy Conservation Code 2021 \(IECC 2021\) \(up.codes\)](#)

emergency. By planning ahead with a COOP, an organization can minimize downtime and chaos, instead taking pre-planned actions to continue serving its stakeholders (the public, customers, or partners) even in the worst conditions. In the disaster recovery and grants management realm, COOPs are vital: they demonstrate that an entity has the capacity to sustain essential functions, which is often a cornerstone of resilience and a base requirement for effective recovery efforts.

3. ELIGIBLE APPLICANTS

3.1. ELIGIBLE ENTITIES

Eligible applicants to this program include the State and local government entities located within the Most Impacted and Distressed (MID) Areas.

Hazard Mitigation Planning - Local government entities permitted by FEMA to complete Hazard Mitigation Plans under 44 CFR 201.2 are eligible for Hazard Mitigation Plan funding and include local county and municipal governments as well as multi-jurisdictional governing bodies, special districts, and sub-government agencies and departments.

Resilience Planning - For Resilience Planning funding, applicants must be local governments (municipal or county) with the authority to implement the plan or carry out the activity for which the funding is being requested.

Eligible Applicants Entities may include the following types, subject to eligibility criteria and the MEDC approval.

- Michigan State Police/Office of Homeland Security Emergency Preparedness and (State HMP and related activities only)
- County
- Municipality
- City
- Town
- Township
- Public authority
- School district
- Special district
- Intrastate district
- Council of governments (incorporated un state law or otherwise)
- Regional or interstate government entity
- Agency or Department of local government
- Authorized Tribal organization,
- Any rural community, unincorporated town or village or other public entity
- Applicants must have authority to implement the plan or carry out the activity for which the funding is being requested.

3.2. MID AREAS

For the 2023 allocation, HUD identified the counties of Macomb, Monroe, and Oakland Counties as the Most Impacted and Distressed, and the State also identified Eaton and Ingham Counties.

As stated above, HUD requires 80% of the overall grant to be allocated to projects within HUD-identified MID Areas, and this Planning Program will adhere to that minimum allocation within the Program budget.

4. APPLICATION REQUIREMENTS AND REVIEW

4.1. APPLICATION PROCESS

Applicants, including the MSP/OHSEP, will apply for the program by completing an application and submitting it to the MEDC. The program is first-come, first-served and will remain open until all the funding is disbursed or the program end date. Each eligible applicant may apply for no more than one Hazard Mitigation Planning Grant. There is no limit on the number of applications an eligible entity may submit for Resilience Planning Grants. Should funds remain available after the initial round of awards, the MEDC may announce subsequent opportunities for eligible applicants to apply for additional funds. The MEDC will award grant funds on a first-come, first-served basis to eligible applicants that submit complete applications, not to exceed the total threshold amount for its jurisdiction, as described in Section 4.5 per jurisdiction applying for funding. The MEDC reserves the right to prioritize planning grants and funding amounts in order to ensure the program meets the State's objectives and CDBG-DR budget requirements.

The MEDC is committed to ensuring a straightforward application process. To facilitate that goal, applicants will be provided with an application template/worksheet that they are able to complete prior to submitting their application. Template/worksheets will differ between the Hazard Mitigation Plan category and the Resilient Planning category. Additionally, the MEDC will also be available to answer questions and provide guidance throughout the application process.

4.2. NOTICE OF FUNDING AVAILABILITY (NOFA)

The MEDC will release a NOFA to announce the opening of the application process, the terms and conditions of the program, and the requirements for the submittal of applications.

The NOFA will be issued to solicit applications from eligible entities for the Program.

The MEDC will publish the NOFA through various traditional and digital media. Additionally, an effort will be made to reach out to communities who expressed interest in the Program.

4.3. APPLICATION REVIEW

Receipt of application will be followed by an evaluation of application criteria which will determine if the application is complete, and the applicant and project are eligible for funding. The MEDC Planning Program is non-competitive, first-come, first-served so the applicant will be eligible for funding provided criteria are met and funding is available. Additional information about the application, required supporting documents, and review guidance is included within the Application Guide.

4.3.1. Eligibility

All applicants must meet the following eligibility requirements. MEDC will verify the fulfillment of such requirements before an application can be deemed eligible. The information needed to verify the satisfaction of these requirements will be collected via the application and, if needed, via a direct request from MEDC.

Eligible Applicant

- Application is signed and complete.
- Applying entity is an eligible county, municipality, city, town, township, public authority, school district, special district, interstate district, council of government, regional or interstate government entity, authorized Tribal organization, any rural community, unincorporated town/village, or other public entity,

as well as the Michigan State Police/ Emergency Management and Homeland Security (MSP/OHSEP) (State HMP and related activities only).

- Applicants must demonstrate capacity to administer grant funds and complete the proposed work on time or describe how they will procure assistance to do so.
- Applicants must have authority to implement the plan or carry out the activity for which the funding is being requested.
- Applicants must have an active record with the U.S. Government System for Award Management (SAM) and must not be delinquent on any federal debt. Additionally, they must not have been suspended or debarred by the federal government.
- Applicants must reveal any potential conflicts of interest.
- Documentation to support the applicant's ability to manage funds including the following:
 - Single audit
 - Financial statements
 - Sufficient internal fiscal controls to manage Federal funds, timeliness of expenditures, financial oversight, and accountability.
 - Documentation of bond and insurance

Eligible Activity

- Applicants cannot request more than the total threshold amount for its jurisdiction, as described in Section 4.5.
- Applicant's project benefits HUD and/or grantee-identified MID areas, as listed in section 2.4 of this Manual.
- Applicants must list and describe existing building codes, ordinances, and local and/or regional plans (if applicable)—including county or regional level hazard mitigation plans—and how those existing regulations and planning efforts will inform the project for which funding was requested.
- Applicants will be required to provide a detailed narrative of what they intend to accomplish with the grant including a scope of work, proposed budget for projects, a project timeline, and anticipated benefits to the community, including detailed description of risk reduction the deliverable will promote within the community.
- Applicants must complete the application in its entirety with all required supporting documents, as described within the Application Instructions.

4.4. APPLICATION SUBMISSION REQUIREMENTS

The following components will be required as part of the application submission to MEDC for this Program. Detailed information about each component is included within the Application Instructions.

4.4.1. Applicant Entity

Describe primary organization applying for funding and legal authority to fund and carry out the planning activity.

4.4.2. Activity Category

Hazard Mitigation Plan

HMPs must be updated every 5 years to maintain eligibility for various funding sources. Having an up-to-date HMP will allow governmental entities to continue to be eligible and apply for federal and state funding.

- Applicant must state whether any other funds have been received or will be received toward developing a new or updating a HMP to avoid any duplication of benefits.

- To be eligible for an award, Applicants must demonstrate that between MEDC Planning Program and other funds, if any, the entire cost associated with the proposed activities will be completely covered.

Resilient Planning

Applicants may submit applications for any eligible activity for which they are eligible (i.e., a county may apply to update or adopt a new building code but may not apply to create and adopt a zoning ordinance). The applicant is NOT required to engage in all eligible activities but only those activities the applicant is interested in pursuing.

4.4.3. Project Timeline – Period of Performance

The period of performance for all approved grants funded under the Planning Program is three years from the date of grant execution. MEDC may approve extensions to the period of performance, contingent on overall grant timeline and HUD approval, provided the Subrecipient demonstrates that good cause exists.

4.4.4. Implementation Plan

Applicants must provide clear evidence of management capacity and a plan to implement the project within budget and on time. Proper implementation requires that an applicant understand what is expected of them, ensure the human capital and financial resources needed to complete the project are in place, and develop a realistic timetable. Each application must include information demonstrating their capacity and the projected timeline for completion within three (3) years.

4.4.5. Public Notice and Community Outreach

Applicants will be required to solicit public feedback on the projects for which they are applying. Soliciting public feedback promotes discussion among community members about strategies to create a disaster-resilient community. Community engagement and other outreach activities that capture a community's values and priorities are likely to result in a project having greater legitimacy and support, leading to greater success in implementation.

Refer to Michigan's [Citizen Participation Plan](#) on the recovery website.

Public Notice and Public Hearing

Applicants must host a virtual or in-person public meeting with municipality, county, and tribal governments. The public meeting must address the justification of the need for the proposed project and a review of the proposed activities. The public meeting notice should be posted in a newspaper of general circulation and to the applicant's website for a minimum of 5 business days (not including the day of the notice and the day of the hearing). Allow for a 10-day public comment period, which must be completed prior to the submission of the application.

Applicants should provide documentation to demonstrate that a meeting was held (e.g., public meeting notice, sign-in sheet, and meeting minutes). Applications must include evidence of meeting the public notice requirement and applicants must discuss the community engagement and other outreach activities it engaged in to capture the community's values and priorities.

4.4.6. Cost Share

Applicants may apply to use the MEDC Planning Program funds for a local cost share of an approved and awarded hazard mitigation planning grant. The proposed budget should clearly indicate whether funds will serve as a local cost-share, the source of other funding sources, whether the funding was committed or pending, and describe the purpose and objective of outside funding sources. The MEDC reserves the right to request additional clarifying information regarding other funding sources before an award is made.

4.5. MINIMUM AND MAXIMUM FUNDING AMOUNTS

The minimum assistance available is \$20,000 and the maximum assistance available is \$500,000. Projects that may exceed the maximum allowable assistance amount will be subject to individual review and evaluation, with consideration given only upon the submission of adequate justification.

4.6. DETERMINATION OF AWARD AND NOTIFICATION

Projects selected for funding by the MEDC may be offered all or a portion of the total requested funding. The MEDC reserves the right to fund individual components of a proposed project depending on available funding and program priorities. Once award amounts are determined, the MEDC will send a Notification of Award to successful applicants which is a preliminary offer to enter into a grant agreement. Execution of a grant is contingent on both parties' agreement of the terms and conditions, including statement of work, budget – including state and federal financial rules and regulations, and timelines. Awards will be considered final upon receipt of a signed grant agreement between the MEDC and the applicant.

5. GRANT MANAGEMENT AND FINANCE

The MEDC Planning Program will be implemented in accordance with all HUD requirements including, but not limited to, CDBG-DR requirements as outlined in the following Federal Register Notices and corresponding Public Laws. At times, Federal Register Notices incorporate requirements published in previous notices. In these instances, the MEDC also follows the applicable previous notices.

Federal Register and Public Laws	Title	Publish Date
88 FR 82982	Federal Register / Vol. 88, No. 226	Nov 27, 2023
90 FR 4759	Federal Register / Vol. 90, No. 10	January 16, 2025

The MEDC is the administrator of the CDBG-DR funds to be allocated for this program. The Planning Program activities may be carried out by eligible MEDC subrecipients that enter into a grant agreement with the MEDC. Payments will be made on a reimbursement basis and program administrative procedures will detail reimbursement requirements.

5.1. ROLES AND RESPONSIBILITIES

The MEDC is responsible for administering the Program, including:

- Soliciting, reviewing, and selecting applications for funding
- Leading execution of grant agreements
- Offer technical assistance to subrecipients from the application stage through the completion of the projects
- Managing payments, including submitting vouchers to HUD and approving Subrecipient requests for reimbursement
- Monitoring and financial oversight
- Grant Closeout, including final approval of activity completion
- Progress reporting, DRGR entry, communication with HUD

Awardees of the Program funds will enter into a legal grant agreement as a Subrecipient of the State's CDBG-DR grant and must comply with all applicable Federal and State rules and regulations. Subrecipients are responsible for:

- Managing the completion of the project as described within the scope of work included within the grant terms and conditions.
- Timely reporting on financial and project progress
- Submitting requests for reimbursement
- Responding to audit and monitoring from the MEDC, Internal audits, monitoring contractors
- Procurement and contractor management
- Compliance with all applicable rules and regulations
- Closeout procedures
- Maintaining records for the required minimum retention period

5.2. GRANT AGREEMENT AND TERMS AND CONDITIONS

An executed grant agreement will be provided to the Subrecipient before the Subrecipient may begin reimbursable activities. At a minimum, the agreement will include a scope of work, schedule of activities and milestones, terms of reimbursement including detailed description of activity completion requirements, budget, record and reporting requirements, and recapture of funds guidance, among other provisions.

Prior to the execution of the grant agreement, subrecipients will have a period to review the terms and conditions for their project(s). The grant agreement requires the applicant to certify that they understand and agree to all the terms. The MEDC reserves the right to amend grant agreements to ensure project completion and funds are being utilized compliantly.

5.3. PLANNING ACTIVITY COMPLETION

Since this is a deliverable-based program, the MEDC will verify that activities are complete respective to the type of plan, code, ordinance, or study funded through this program. The document(s) produced must be completed and approved, adopted, or presented by the appropriate legislative authority, as applicable, before the Subrecipient can be reimbursed the final allotment of its award. Subrecipients may carry out the work directly or contract with contractors or other service providers for the completion of funded work. Projects will be implemented in accordance with all HUD requirements for CDBG-DR.

Subrecipients will be disbursed grant funds only after achieving pre-established milestone deliverables that are described within the terms of the grant agreement. Generally, subrecipients will be reimbursed as follows:

- 25% of the grant following procurement of a subcontractor and/or establishing a detailed scope of work and schedule for completing the activity.
- 50% of the grant following completion of a draft product submitted to the appropriate legislative body.
- 25% of the grant following approval, adoption, or presentation of the product, depending on product type.

Specific types of funded projects under this program are required to meet the following requirements to be completed. Additional details regarding scope of product and completion will be discussed prior to grant execution and included within the Grant Agreement terms and conditions.

- **Building Codes** must meet or exceed the State of Michigan International Building Codes of 2021. The locality must finalize and adopt an updated Building Code as part of product completion.
- **Energy Codes** must meet or exceed standards set forth by the 2021 Michigan Energy Code. The locality must finalize and adopt an Energy Code as part of product completion.
- **Flood Damage Prevention Ordinances** must meet CDBG-DR requirements of at least two feet above base flood elevation. The locality must finalize and adopt a flood damage prevention ordinance as part of product completion.
- **Zoning Ordinances** must be based on an adopted Land Use or Comprehensive Plan and must include specific mitigation measures to reduce the damage from natural disasters. The locality must finalize and adopt a Zoning Ordinance as part of product completion.
- **Land-Use Plans** must be forward-looking and integrate the relevant portions of the local hazard mitigation plan if one exists. Land-use plans must identify local hazard risks and explain how the plan mitigates those risks. Land-use plans must be accompanied by a Zoning Ordinance that codifies the Land-Use Plan. The locality must finalize and approve a Land-Use Plan and Zoning Ordinance as part of product completion.

- **Comprehensive Plans** that integrate hazard mitigation plans and other mitigation concepts. Comprehensive Plans must identify local hazard risks and explain how the plan mitigates those risks. The locality must finalize and approve a Comprehensive Plan as part of product completion.
- **Site Development Plans** that must integrate hazard mitigation plans and other mitigation concepts. The locality must finalize and approve a Site Development Plan that aligns with its adopted Land-Use Plan and Zoning Ordinance as part of product completion.
- **Hazard Mitigation Plan** must meet FEMA requirements of 44 CFR §201.6 (“Local Mitigation Plans”). The locality must finalize a draft HMP and submit to MSP/OHSEP for review and submission to FEMA. A copy of the official FEMA approval letter is considered part of product completion.
- **Other mitigation-specific studies, plans, or strategies** that support hazard risk reduction within sectors, such as economic development, housing development, or environmental development. Other studies, plans, or strategies must identify local hazard risks and explain how the concept mitigates against those risks. The locality must finalize and present the study, plan, or strategy to its legislative authority as part of product completion.

5.4. **TIMELY EXPENDITURES AND PROJECT COMPLETION**

Unless otherwise stated within the Grant Agreement, projects funded under this program have a period of performance of three (3) years. The period of performance will commence upon execution of a grant agreement between the MEDC and the Subrecipient. The MEDC may approve extensions of the period of performance, contingent on the State’s overall CDBG-DR grant timeline and HUD approval, provided the Subrecipient demonstrates that good cause exists.

5.5. **REPORTING REQUIREMENTS**

In order to meet the HUD requirement for submitting the DRGR Quarterly Performance Report, the MEDC will require subrecipients to provide quarterly progress update reports. The due date for progress reports will be included within Grant Terms and Conditions. These reports will provide updates on various elements of the award, including but not limited to:

1. Progress Narratives
2. Current Expenditure of Federal Funds
3. Progress on Performance Metrics

5.6. **RESILIENCE PERFORMANCE METRICS**

HUD is requiring the State to establish resilience performance metrics for each activity anticipated to meet the Mitigation set-aside requirement. As part of the grant agreement process, the MEDC Planning awardees will work with the MEDC to develop resilience performance metrics for projects funded under this Program for which this requirement applies.

The resilience performance metrics will include a description of the projected risk from natural hazards to the project/service area, identification of the mitigation measure that will address the risk, and an assessment of the quantifiable benefit of the project’s resilience measures through verifiable data. Tracking and reporting resilience performance metrics will be a required activity included within the terms of the grant agreement. The benefit of each activity should be a quantifiable metric that illustrates how the resilience measure is expected to improve outcomes compared to conditions if the activity were not implemented. Awardees will work with the MEDC to ensure the metrics selected are feasible and meet HUD requirements.

More information about this requirement can be found in the General Administrative Manual, Chapter 18: Mitigation and Resilience.

5.7. STATE AND FEDERAL PROCUREMENT STANDARDS

The State and its subrecipients may choose to award subcontracts to vendors and service providers that can complete all or a portion of the projects funded through this Program. In this case, a local government grantee has proficient procurement processes if the processes are consistent with the specific applicable procurement standards identified in 2 CFR §200.317 through §200.327. The procurement processes must uphold the principles of:

- Full and open competition.
- Evaluation of the cost or price of the product or service.
- Maintaining records sufficient to detail the history of procurement.

All procurements using CDBG-DR funds shall be processed pursuant to State procedures through the MEDC Procurement and Contracting policies⁹.

All recipients of or entities managing CDBG-DR funds must follow all applicable state and Federal procurement standards.

5.8. PRE-AWARD EXPENSES

No pre-award activities will be considered for funding.

5.9. ENVIRONMENTAL COMPLIANCE

Planning must be in compliance with the National Environmental Policy Act (NEPA), and other related Federal and state environmental laws. Planning is Categorically Excluded Not Subject to (CENST) Section 58.5 pursuant to 24 CFR Part 58.34(a)¹⁰ and 58.35(b)¹¹. The CENST was completed at the CDBG-DR program level for Planning Activities. Any Public Service activities will require its own environmental review.

5.10. DUPLICATION OF BENEFITS

Section 312 of the Stafford Act prohibits any person, business, or other entity from receiving duplicative financial assistance for the same disaster recovery purpose from multiple sources of Federal and other support. Duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular disaster recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need.

Per CDBG-DR regulations, the Program's subrecipients are required to disclose all other benefits (cash, in- kind, grants, loans, etc.) received, or which will be received for the proposed project to ensure that federal funds do not duplicate funds received from other sources.

⁹ MEDC CDBG Administration Manual <https://www.miplace.org/4a95ae/globalassets/documents/cdbg/gam/chapter-04/reading/04-procurement-and-contracting>

¹⁰ 24 CFR 58.34 (a). Code of Federal Regulations. Title 24: Housing and Urban Development. Exempt Activities. [eCFR :: 24 CFR 58.36 -- Environmental assessments](#).

¹¹ 24 CFR 58.35 (b). Code of Federal Regulations. Title 24: Housing and Urban Development. Categorical Exclusions. [eCFR :: 24 CFR 58.35 -- Categorical exclusions](#).

CDBG-DR funding is a funding source allocated to meet unmet needs after other sources of funding have been exhausted. All other available sources of funding, such as FEMA's Hazard Mitigation Grant Program (HMGP), must be exhausted before CDBG-DR funds are used. Funds awarded in this Program should be used for the purpose of covering any gaps in funding, such as local cost share of other Federal grants. In cases where no other funding sources are available for the types of projects eligible under this program, communities may apply for full funding.

Determination of non-duplication of benefits were completed by the Program following the steps outlined in the **General Administrative Manual, Chapter 17 Duplication of Benefits**, the Duplication of Benefits Guidance provided by HUD in the Federal Register Volume 76. No. 221, dated November 16, 2011, and Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees¹².

5.11. FINANCIAL MANAGEMENT

As per this program policy and other documentation, the MEDC will ensure that it has the policies and procedures for expending and accounting for all CDBG-DR funds and to maintain adequate source documentation to demonstrate that CDBG-DR funds are used in compliance with all the terms and conditions of the CDBG-DR award, only spent for reasonable and necessary costs, and not used for general expenses to carry out other responsibilities of State and local governments. The MEDC's financial policies will also ensure the following are met:

- The MEDC will charge for the CDBG-DR award only allowable, reasonable, and allocable costs incurred during the period of performance and any authorized pre-award costs.
- The MEDC will minimize the time elapsing between the receipt of funds from the Federal government and the reimbursement of funds to the subrecipients, and it will follow its own prompt payment policy which mandates payments be made no more than 10 days from the submittal of the request to the finance division.
- For any changes made to the approved budget for this Program, scope, or objectives, the MEDC will notify HUD of the changes and any substantial changes will be reviewed by HUD.
- The MEDC will submit to HUD mandatory quarterly progress reports for HUD's review of program progress. See Reporting Requirements Section 5.11.

5.12. GRANT AGREEMENT MODIFICATIONS AND EXTENSIONS

Awardees may request a grant amendment to extend the period of performance and for scope changes that affect the grant award. The MEDC will review the submission and determine if a grant amendment is warranted. As stated, approval of extensions to the period of performance is contingent on an overall grant timeline and demonstration that good cause exists. Recipients must submit the request for a grant amendment as soon as the need is identified.

5.13. RECAPTURE AND CANCELLATION OF AWARD

Awards may be cancelled, and agreements terminated at any point should the Subrecipient break the terms of the agreement by failing to fund an eligible activity and ensure that use of CDBG-DR funding is in compliance with HUD and program requirements. Payments will be made on a reimbursement basis once subrecipients demonstrate completion of deliverables per activity requirements described within these guidelines and within the terms of the grant agreement. As a result, the MEDC does not anticipate the need for recapture of funds.

¹² <https://www.federalregister.gov/documents/2019/06/20/2019-13147/updates-to-duplication-of-benefits-requirements-under-the-stafford-act-for-community-development>

6. AGENCY COORDINATION

The MEDC is committed to working with partners to strengthen the planning program. The MEDC is working with MSP/OHSEP to provide CDBG-DR funds to assist with updating the State of Michigan Hazard Mitigation plan and provide resources for other mitigation outreach and education activities under this program. The MEDC is also allocating funds through this Program for the development, update, and cost share for local hazard mitigation plans. MSP/OHSEP will be responsible for approval of the Hazard Mitigation Plans. The MEDC will align the reimbursement and/or close out process with the MSP/OHSEP approval process.

The MEDC will collaborate with the State of Michigan Licensing and Regulatory Affairs to ensure priorities relating to code compliance align properly within the parameters established by both parties; the MEDC Planning Program and the Michigan Licensing and Regulatory Affairs. The state and local mitigation plans must meet all the criteria and requirements set forth in 44 CFR 201.4¹³ and 44 CFR 201.6¹⁴.

7. COMPLIANCE AND MONITORING

7.1. PROGRAM MONITORING AND OVERSIGHT

The MEDC Planning Program will monitor subrecipients through periodic on-site visits and written semi-annual reports, so that any problems that might occur may be resolved as soon as possible. The goal of the MEDC is to ensure that the grant awarded is being used for its intended purpose and subrecipients are complying with applicable State and Federal requirements and implementing their project activities in a timely manner.

The MEDC will conduct regular project meetings with project managers and local team partners to ensure tasks and activities are moving toward the intended outcome. Their responsibilities include informing the MEDC of:

- Problems, delays, or adverse conditions which will materially affect the ability to attain project objectives, prevent the meeting of time schedules and goals, or preclude the completion of project work units or tasks within established time periods, and
- Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or completing more units or tasks than originally projected.
-

Subrecipients are required to maintain complete financial and program files and to comply with program reporting requirements. These files should be maintained on-site.

If the Subrecipient or Contractor is not performing satisfactorily in the sole judgment of the MEDC, remedial measures may be deemed necessary to fulfill the project requirements. Remedial measures are identified in the Subrecipient agreements.

Additional information and details regarding monitoring objectives, protocols for monitoring visits, sanctions and technical assistance can be found in the **GAM: Chapter 12 - Monitoring** ([monitoring.pdf \(miplace.org\)](http://monitoring.pdf (miplace.org))).

¹³ 44 CFR 201.4. Code of Federal Regulations. Standard State Mitigation Plan. eCFR :: 44 CFR 201.4 -- Standard State Mitigation Plans.

¹⁴ 44 CFR 201.6. Code of Federal Regulations. Local Mitigation Plan. [44 CFR 201.6 - Local Mitigation Plans. \(govregs.com\)](http://44 CFR 201.6 - Local Mitigation Plans. (govregs.com))

7.2. PREVENTION OF FRAUD, WASTE, AND ABUSE

As grantee of the CDBG-DR funds, the MEDC oversees all activities and expenditures of the funds awarded for this Planning Program. All plans will be monitored at least once during the life of the activity.

Instances of Fraud, Waste and Abuse will be encouraged to be reported to the HUD fraud hotline at 1-800-347-3735 or via email to Hotline@HUDOIG.Gov. This information will be posted on the website as well as on information given to the clients receiving assistance. The hotline information will also appear on information packets given to clients and will be posted in subrecipients' offices. The MEDC will assist the HUD OIG in investigating and taking action against fraud. The Internal Auditor will be monitoring the web site and will be looking for potential instances of fraud, waste, and abuse. When such instances are reported to the MEDC, the HUD office of OIG will be contacted immediately, and a report of the situation shall be made. The Subrecipient shall be made aware of a potential situation and will ask that the contractor stop work on a particular project. If the fraud is related to an application of benefits, a stop work order will be made until it can be determined what corrective action should be taken.

7.3. CONFLICT OF INTEREST

An organizational conflict of interest occurs because of activities or relationships with other persons including a person who is unable or potentially unable to render impartial assistance or advise the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

Conflicts of interest in the award and/or administration of contracts must be avoided. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract." (2 CFR 200.318 (c) (1)¹⁵. Other federal regulations with which the grantee must comply are the conflict-of-interest requirements in 24 CFR 570.611¹⁶.

7.4. FILES, RECORDS, AND REPORTING REQUIREMENTS

Accurate recordkeeping will be essential to the successful management of CDBG-DR funded activities. The standard recordkeeping requirements pertaining to the HUD CDBG-DR Program are found in nearly every aspect of program implementation as it is necessary to document compliance with a variety of applicable laws, regulations, and requirements, including but not limited to, providing funds for eligible activities, meeting a national objective, demonstrating financial management, and evidencing compliance with the environmental review process.

The State is required to keep records for the CDBG-DR programs and/or document compliance by their funded entities, including subrecipients, contractors, or local governments. The entities administering funds at the Subrecipient level are responsible for the retention of records that pertain to their programs. The following records will be maintained for this program:

- General Administrative Recordkeeping;
- Financial Recordkeeping; and

¹⁵ 2 CFR 200.318. Code of Federal Regulations. Title 2: Grants and Agreements. General Procurement Standards. [eCFR :: 2 CFR 200.318 -- General procurement standards](http://eCFR.gov).

¹⁶ 24 CFR 570.611. Code of Federal Regulations. Title 24: Housing and Urban Development. Conflict of Interest. [eCFR :: 24 CFR 570.611 -- Conflict of interest](http://eCFR.gov).

- Project/Activity Recordkeeping.

Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt, and use of CDBG-DR funds and necessary to facilitate reviews and audits. The Subrecipient must provide citizens with reasonable access to records regarding the past use of CDBG-DR funds consistent with State or local requirements concerning the privacy of personal records. (24 CFR 570.490 - Recordkeeping requirements)

In accordance with federal regulations, all records relevant to the Subrecipient's contract shall be retained for a period of three (3) years after the final closeout by the State CDBG-DR grant with HUD. The MEDC will notify all CDBG-DR Program participants of the date upon which local records may be destroyed, and the Subrecipient shall retain all records related to this contract until the destruction date determined by the MEDC.

7.4.1. Files

Below is a list of supporting documentation that subrecipients will maintain that relates to the overall administration, finances, and projects under the MEDC Planning Program. These records will include, but are not limited to:

General Administrative Recordkeeping

- Application and Supporting Documentation
- Executed Grant Agreements
- Description and budget of each funded activity
- Eligibility determinations for each funded project
- Monitoring correspondence, results
- Documentation of compliance with other Federal Requirements

Financial Recordkeeping

- Chart of accounts
- Manual accounting procedures
- Accounting journals and ledgers
- Source documentation (invoices, purchase orders)
- Draw down requests
- Payroll records and reports
- Financial reports
- Audit files

Project/Activity Recordkeeping

- Eligibility of the project
- Grant Agreement
- Procurement documents, such as bids or contracts
- Compliance with program requirements
- Quarterly reports
- Budget and expenditure information
- Project status
- Project deliverables, such as plans, studies, zoning, and flood control ordinances.

7.4.2. System of Record

All record management systems, shall to the maximum extent possible, adopt and use effective and efficient systems, including automated electronic records systems, to record, file, register, index, process and provide access

to CDBG-DR activity or program records. These systems must achieve the following objectives related to all records maintained within:

- Records are retrievable;
- Records are unalterable; and
- Records are accessible.

7.4.3. Record Retention Policy

Pursuant to 24 CFR 570.490(d)¹⁷ Record Retention: Records of the State and units of local government shall be retained for the greater of three (3) years from closeout of the grant to the State, or the period required by other applicable laws and regulations as described in §570.487¹⁸ and §570.488¹⁹. For State agencies, Counties, Universities and Colleges, the period of record retention for Federal grants shall be no less than that approved by the State, which is three (3) years after termination of grant or receipt of award; for Municipalities it is three (3) years. These funded entities shall be responsible for incorporating the records into the State approved retention schedule, including standards prescribed in said schedule for disposition.

8. CLOSEOUT

8.1. SUBRECIPIENT CLOSEOUT

The timeliness in which the Subrecipient completes the close out process, and the content of the information present, is a factor in the evaluation of future CDBG funds.

Subrecipients are required to submit the following to the MEDC to complete closeout:

- The Final Request for Funds
- Final Progress Report describing grant accomplishments and/or outcomes and total expenditures of each funded scope of work.
- Documentation that funds were expended in full, or the remaining funds deobligated from the grant agreement and the contract is terminated, or the term of the grant agreement ends.
- Documentation describing the resolution of any outstanding audit or monitoring issues.
- Return Unexpended Funds. If funds were drawn and not expended, a check for the funds unexpended, with the grant number denoted on the check, must be mailed to the MEDC office, and made payable to the State of Michigan.
- Return Interest Earned. All interest earned on the CDBG main bank account, minus \$100 per year for administrative expenses, must be returned to MSF in the form of a check payable to the State of Michigan, with the grant number denoted on the check.

The MEDC will work with the Subrecipient to collect all close out documentation for their file in accordance with the **GAM: Chapter 13 - Grant Closeout** to ensure the project warrants closeout. The MEDC will disencumber any remaining funds, if applicable, and enter all needed information in DRGR to show the activities and projects are "completed."

¹⁷ 24 CFR 570.490 (d). Code of Federal Regulations. Title 24: Housing and Urban Development. Recordkeeping Requirements. [eCFR :: 24 CFR 570.490 -- Recordkeeping requirements.](#)

¹⁸ 24 CFR 570.487. Code of Federal Regulations. Title 24: Housing and Urban Development. Other Applicable Laws and Related Program Requirements. [eCFR :: 24 CFR 570.487 -- Other applicable laws and related program requirements.](#)

¹⁹ 24 CFR 570.488. Code of Federal Regulations. Title 24: Housing and Urban Development. Displacement, Relocation, Acquisition and Replacement Housing. [eCFR :: 24 CFR 570.488 -- Displacement, relocation, acquisition, and replacement of housing.](#)

If there is a change in scope or project cost that would affect the proposed accomplishments or geography, the MEDC should be contacted, and a Grant Amendment may be necessary. Failure to carry out the project as proposed will be considered a performance concern in future application requests.

The Subrecipient has 120 days from the end of the term of work to provide a Final Progress Report and all required closeout documents to the MEDC. After the packet has been reviewed and approved, a closeout letter is sent to the subrecipient.

The Final Closeout occurs when grant activities are complete, the award was expended or returned, and all audits have been received, reviewed, and approved.

A Conditional Closeout occurs when grant activities are complete, the award was expended or returned, National Objective was met, however, the MEDC is awaiting receipt and approval of audit(s) – see GAM Chapter 8. After all audits have been approved, a Final Closeout letter will be sent.

The Subrecipient shall maintain records which will allow assessment of the extent of Subrecipient performance of the Scope of Work, and which allow for the comparison of actual outlays with budgeted amounts. The Subrecipient's overall financial management system must ensure effective control over, and accountability for, all funds received. Accounting records must be supported by source documentation such as time sheets and invoices.

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other pertinent records until notified by the MSF. MSF reserves the right to reopen this grant (i.e., in the event of future monitoring by HUD or instances of noncompliance by the Subrecipient). The Subrecipient must retain, at its office, all program records and project files and obtain documents from contracted parties (i.e., architects, engineers, administrators) until notified by the MEDC.

8.2. PROGRAM CLOSEOUT

The closeout process is designed to ensure all CDBG-DR activities are completed, and funds are expended in accordance with the Grant Agreement, program rules, and state and federal requirements. This means any financial, administrative, and performance issues as stipulated in the Grant Agreement have been resolved to the satisfaction of the MEDC, HUD, and the subrecipient.

The project will be ready for closeout when the following conditions are met:

- All eligible activities are completed in accordance with the scope of work agreed upon within the signed grant agreement.
- All funds are expended in full, or the remaining funds are planned to be returned to HUD.
- All reporting requirements (e.g., Quarterly Performance Reports, other internal reporting) were completed.
- Any specials conditions of the Program were met.
- All audit and monitoring issues were resolved.

Program representatives will work with cities, townships, counties, special districts and federally recognized tribal governments to collect all closeout documentation for their file in accordance with the General Administrative Manual on Project Closeout. A final closeout file review will be required to ensure that all documentation required in each step of the process is complete and compliant.

9. TERMS AND DEFINITIONS

Action Plan: The public document required by HUD that details the State of Michigan's storm recovery programs and allocation of CDBG-DR funding.

Applicant: Any unit of local government (cities and counties), Indian Tribes, and councils of governments located within a CDBG-DR eligible area. who apply for assistance through the Resilient Communities Program. For the MEDC Planning, subrecipients are the applicants.

Community Development Block Grant Mitigation (CDBG-DR): The Community Development Block Grant Disaster Recovery (CDBG-DR) Program is administered by the US Department of Housing & Urban Development (HUD) to provide grants to state and local governments for recovery from major declared disasters when other sources of recovery aid are not sufficient to recover. HUD allocates funding to eligible state and local grantees to use this assistance in areas impacted by recent disasters to carry out housing, infrastructure, and economic development activities and to mitigate disaster risks and reduce future losses.

Department of Housing and Urban Development (HUD): The federal department through which the CDBG-DR program funds are administered, monitored, and distributed to grantees.

DOB: A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance.

UEI: The UEI (Unique Entity Identifier) is a unique 12-character alphanumeric ID for organizations. UEI numbers are used by the federal government to keep track of how federal funds are allocated. It is used to create a business's credit profile.

Federal Debarment: An action to preclude individuals and entities from receiving federal financial and nonfinancial assistance and benefits under federal programs and activities for a designated period of time.

FEMA: The Federal Emergency Management Agency (FEMA) is the federal awarding agency authorized to manage the PA and HMGP programs. FEMA's primary responsibilities are to determine the amount of eligible funding, participate in educating the applicant on specific program issues and procedures, assist the applicant with the development of project applications and review the projects for compliance with laws, regulations, and policy.

FRN: The Federal Register Notice (FRN) is the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices. Publishing a FRN informs the public about new appropriations and allocations, proposed rules, updates to existing rules, compliance requirements, and other important agency activities.

GAM (General Administrative Manual): The GAM is a comprehensive manual that outlines administrative policies, procedures, and requirements for managing CDBG-DR (Community Development Block Grant – Disaster Recovery) funds and related programs. It covers topics such as monitoring, duplication of benefits, grant closeout, procurement, compliance, and recordkeeping.

Grantee: Any entity receiving a direct award from HUD. In the context of this program, the grantee is the MEDC.

HCDA: The Housing and Community Development Act of 1974 (HCDA) specifies activities that can be funded as long as each activity is eligible and will meet one of the three broad national objectives (LMI, urgent need, slum and blight).

HUD MID: A HUD-identified Most Impacted and Distressed Area. As required by HUD's Federal Register notice, Federal Register / Vol. 87, No. 23 (February 3, 2022) and Federal Register / Vol. 87, No. 100 (May 24, 2022). MEDC will allocate at least 80 percent of the funds to address mitigation needs within these areas.

Jurisdiction: The territory or sphere of activity over which the legal authority of a court or other institution extends.

Leverage: All sources of funding provided or committed to an applicant from federal, state, local, nonprofit, or private parties.

Local Adopted Plan: A strategy made final and usually voted upon by the full governing body overseeing the Local Planning Authority (LPA), that sets out detailed policies and specific proposals for the development and use of land in a local area, authority, or district and guides most day-to-day planning choices and decisions.

Low-to-Moderate-Income (LMI): Low-to-Moderate income (LMI) individuals are those whose income is under 80% of the Area Median Income (AMI) set by the federal government for HUD-assisted housing programs. To qualify an application activity under the national objective of principally benefiting low-and moderate-income persons, at least fifty-one percent (51%) of the beneficiaries of the activity must be low- and moderate-income persons.

Management Capacity: The ability of applicants to supervise the projects for which they are requesting CDBG-DR funds and administer those funds responsibility and within program guidelines, adhering to all federal and state regulations required.

MEDC: Michigan Economic Development Corporation (MEDC) is a public-private partnership serving as the State's marketing arm and lead agency for business, talent and jobs, tourism, film and digital incentives, arts and cultural grants, and overall economic growth.

MID: An acronym for Most Impacted and Distressed Areas. See also, HUD MID and State MID.

Procurement: Act of obtaining goods or services, typically for business purposes. Procurement generally refers to the final act of purchasing but it can also include the procurement process overall, which can be important for companies leading up to their final purchasing decision.

Procurement Policies and Procedures: Processes and standards put in place to ensure fair and efficient acquisition of goods and services. Subrecipients receiving CDBG-DR funding will be required to follow the procurement standards of 2 CFR 200.318 through 200.326 and the contract provisions within Appendix II to Part 200. Procurement standards are Federal Register grant-imposed requirements that are incorporated into all Subrecipient agreements.

Resilience Performance Measures: As relates to a proposed project, the applicant must explain all prior capital improvement projects, short or long-range planning efforts, community engagement or educational outreach, the implementation of enhanced building codes or code enforcement, or other related work that has been completed which enhances hazard mitigation and/or resiliency throughout the applicable community or service area of the applicant(s).

Risks: Natural hazards that pose a threat to the project site, project service area or community.

SAM Search: System for Award Management lookup to determine an applicant's federal grant eligibility.

Scope of Work (SOW): Division of work to be performed to complete a plan including work activities.

State MID: Areas designated by the state to be Most Impacted and Distressed, which received a Presidential disaster declaration but were not classified as Most Impacted and Distressed Areas by HUD.

Subrecipient: The Subrecipient (i.e., the unit of local government, or non-profit entity) applies for and receives CDBG-DR funds. The Subrecipient is the responsible party for the CDBG-DR grant and enters into the contract, or

grant agreement, with MEDC. The Subrecipient receives CDBG-DR grant disbursements, assures compliance, and ensures that the CDBG funds will be used for the purposes intended. The Subrecipient is encouraged to engage a Certified Grant Administrator (CGA) to assist in grant administration.

Unit of Government: Any department or agency of the federal government; any state or agency, office, or department of a state; and any city, county, district, commission, authority, entity, port, or other public corporation, organized and existing under statutory law or under a voter-approved charter or initiative.

10. ATTACHED DOCUMENTS

DOCUMENTS PROVIDED IN THIS SECTION SERVE AS TEMPLATES THAT APPLICANTS CAN UTILIZE

ATTACHMENT E-AUTHORIZING RESOLUTION TEMPLATE

WHEREAS, the Michigan Strategic Fund has invited Units of General Local Government to apply for its Community Development Block Grant Disaster Recovery (CDBG-DR) Competitive Funding Round; and

WHEREAS, the (UGLG) desires to request (\$amount of request) in CDBG funds to (describe the proposed project); and

WHEREAS, the (UGLG) commits local funds from its (Source of funding) in the amount of (\$amount of committed match) (Note: Only insert this if applicable. Otherwise, delete this line); and

WHEREAS, the proposed project is consistent with the local Community Development Plan as described in the Application; and

WHEREAS, the proposed project will benefit a service area or provide a low/mod area income-area benefit within a Census tract or community; and

WHEREAS, local funds and any other funds to be invested in the project have not been obligated/incurred and will not be obligated/incurred prior to a formal grant award, completion of the environmental review procedures and a formal written authorization to obligate/incur costs from the Michigan Economic Development Corporation.

NOW, THEREFORE, BE IT RESOLVED that the (UGLG) hereby designates the (Title of authorized local official) as the Environmental Review Certifying Officer, the person authorized to certify the Michigan CDBG Application, the person authorized to sign the Grant Agreement and payment requests, and the person authorized to execute any additional documents required to carry out and complete the grant.

Add any other required UGLG language

ATTACHMENT F-UGLG PUBLIC PARTICIPATION FORM

1. The UGLG has furnished its citizens with information concerning the amount of funds available and being applied for, and the proposed community development and housing activities to be undertaken. This includes the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans for minimizing displacement of persons.
2. The UGLG has published a public notice in such manner to afford affected citizens an opportunity to examine and submit comments on the proposed application and community development and housing activities.
3. One or more public hearings have been held to obtain the views of citizens on the proposed application and community development and housing needs.
4. Citizens have been provided reasonable access to the proposed application and related information on community development and housing needs.
5. The UGLG will provide its citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds if funds are received.
6. The UGLG provided for and encouraged citizen participation, with particular emphasis on participation by persons of low and moderate income, residents of slum and blight areas and of areas in which Section 106 funds are proposed to be used, and in the case of grantees described in Section 106(a), provided for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction. Opportunities to participate must be made available by advertising in publications, which are distributed in the slum and blight areas and the low- and moderate-income neighborhoods.
7. The UGLG provided citizens with reasonable and timely access to local meetings, information, and records relating to the applicant's proposed use of funds, as required by regulations of the Secretary, and relating to the actual use of funds under this title.
8. The UGLG provided for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee.
9. The UGLG provided for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped. Review of program performance shall apply to previously funded CDBG grants.
10. The UGLG has identified how the needs of non-English speaking residents will be met in

the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. If 51% of the expected participants are non-English speaking, the hearings will be advertised in a non-English publication available to those residents. A person fluent in their language must be available to discuss the project and respond to their questions at the hearings.

Signature and Title of Authorized UGLG
Official

Date

**ATTACHMENT G-(UGLG) NOTICE OF PUBLIC HEARING FOR MICHIGAN COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG-DISASTER RECOVERY) FUNDING FOR THE (NAME OF
PROPOSED PROJECT)**

(UGLG) will conduct a public hearing on (date of public hearing) at (time of public hearing) at (location of public hearing) for the purpose of affording citizens an opportunity to examine and submit comments on the proposed application for a CDBG-Disaster Recovery grant.

(UGLG) proposes to request (\$amount of proposed grant) in CDBG-DR funds to (specify the purpose of the grant, along with the other local and private activities and funding (if applicable), including the specified amount to benefit LMI persons) and benefit at least 51% low to moderate income persons.

Further information, including a copy of (UGLG)'s Community Development Plan and CDBG application is available for review. To inspect the documents, please contact (contact person and contact information) or review at (location). Comments may be submitted in writing through (date) or made in person at the public hearing.

(If applicable, the applicant must provide citizens with information regarding the applicant's performance in prior CDBG programs funded by the State.)

Citizen views and comments on the proposed application are welcome.

UGLG _____

Contact person and title _____

Phone number for Contact person _____

ANY OTHER LANGUAGE REQUIRED BY UGLG CAN BE PLACED HERE

ATTACHMENT I-STATEMENT OF ASSURANCES

The UGLG hereby certifies that it:

1. Possesses legal authority to submit a grant application;
2. Has in a timely manner:
 - a. furnished its citizens information concerning the amount of funds available and being applied for, and the proposed community development and housing activities to be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans for minimizing displacement of persons as a result of proposed activities and for assisting persons actually displaced;
3. published a public notice (a copy of which is attached) in such manner to afford citizens an opportunity to examine and submit comments on the proposed application and community development and housing activities;
4. held one or more public hearings to obtain the views of citizens on the proposed application and community development and housing needs; and
5. made the proposed application available to the public;
6. Will conduct and administer the grant in conformity with Public Law 88-352 and Public Law 90-284, and will affirmatively further fair housing;
7. Has developed the proposed application so as to give maximum feasible priority to activities which will benefit low and moderate income families or aid to the prevention or elimination of slum or blight; or to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community where other financial resources are not available to meet such needs;
8. Has developed a community development plan that identifies community development and housing needs and specifies both short and long term community development objectives that have been developed in accordance with the primary objective and requirements of the Title I Housing and Community Development Act of 1974, as amended;
9. Will not attempt to recover any capital costs of public improvements assisted in whole or in part with Title I funds by assessing any amount against properties owned and occupied by

persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) Title I funds are used to pay the proportion of such fee or assessment that related to capital costs of such public improvement that are financed from revenue sources other than Title I funds; or (B) for purposes of assessing any amounts against properties owned and occupied by persons of low and moderate income who are not persons of very low income, and (name of local unit) certifies that it lacks sufficient Title I funds to comply with the requirements of clause (A);

10. Will adopt a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdictions;
11. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
12. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
13. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly;
14. Will comply with other provisions of Title I of the Housing and Community Development Act of 1987, as amended, and with other applicable laws.

Signature and Title of Authorized UGLG

Date

ATTACHMENT J-CDBG-DR COMPLIANCE CHECKLIST

CDBG-DR COMPLIANCE CHECKLIST

Please refer to the [Grant Administration Manual](#) (GAM) for sample/template forms and policies.

Indicate the status on the compliance items listed below. This document must be signed and returned in order for the application to be considered complete and eligible for scoring.

Required Compliance	Status/Date Please indicate whether the document is <i>Completed</i> or <i>Underway</i> . If Completed, state the date the document was adopted by the applicant. If Underway, state the date the document is estimated to be adopted. Policies must be adopted by the time of grant completion, unless otherwise indicated.
<input type="checkbox"/> Section 3 Policy	
<input type="checkbox"/> Residential Anti-Displacement and Relocation Assistance Plan	
<input type="checkbox"/> Fair Housing Ordinance & Housing Discrimination	
<input type="checkbox"/> Section 504 Accessibility Self-Certification	
<input type="checkbox"/> Grievance Procedure	
<input type="checkbox"/> Non-Discrimination on Basis of Handicap	
<input type="checkbox"/> UGLG Excessive Force Policy	
<input type="checkbox"/> UGLG Procurement Policy	

Statement of Assurances

The Applicant UGLG states that the person identified in the Authorizing Resolution assures the following:

1. Compliance with financial management and audit requirements in Chapter 8 of the GAM, 2 CFR Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule.
2. Compliance with Civil Rights and Equal Opportunity statutes as set forth in Title I of the Civil Rights Act of 1964 (Public Law 88-352), Title VIII of the Civil Rights Act of 1968 (Public Law

90-284), the Michigan Civil Rights Act 453 of 1976, the Michigan Fair Employment Practices Act (MCL 423, 301-423, 311), related statutes and implementing rules and regulations.

3. Compliance with Labor Standards statutes as set forth in the Davis-Bacon Fair Labor Standards Act (40 U.S.C. 276a-276a-5), related statutes and implementing rules and regulations.
4. Compliance with Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4831).
5. Compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4630) and implementing regulations.
6. Compliance with Section 504 of the Rehabilitation Act of 1973, as amended, and implementing rules and regulations 24 CFR Part 8.
7. Authorized state officials and representatives will have access to all books, accounts, records, reports, files, and other papers, things, or property pertaining to the project to make audits, examinations, excerpts and transcripts; each contract or subcontract also shall provide for such access to relevant data and records pertaining to the development and implementation of the project.

The UGLG agrees to assume all the responsibilities for environmental review, decision making, and action as specified and required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and Section 104 (f) of Title I of the Housing and Community Development Act and implementing regulations 24 CFR Part 58.

Providing a signature on this page, with all applicable field boxes being completed and all information being reviewed, assures the following:

1. There are no changes to the previously submitted intake and application materials that would change the scope, budget, timeline or beneficiaries of grant funds; and
2. Required compliance, plans, policies, assurances and certifications as outlined in this document have been reviewed and accounted for, and any applicable and requested documents will be available upon request during grant monitoring; and
3. The UGLG agrees to adhere to HUD, CDBG and MEDC rules, regulations and the Grant Administration Manual (GAM) policies, procedures and reporting requirements. The UGLG will ensure that all entities involved in completing the proposed project will also adhere to rules and regulations during grant administration; and
4. Submitting a signed Compliance – Due Diligence List is finalizing the CDBG-DR Application

Name:	
Title:	Signature:
Date:	

The person authorized through resolution, or the highest elected official, may sign assuring all aforementioned documents under CDBG Compliance have been accounted for, either by completion or by notifying the CDBG Specialist of missing items, which will be addressed if appropriate as contingencies in the grant process.

CDBG Compliance Instructions on Reporting

Citizen Participation Plan (24 CFR Part 570.486 (a))

Many items may be included in Public Participation Plans worked on with our Redevelopment Ready Team. Below are CDBG's required items that must be included to satisfy citizen participation plan requirements as seen in 24 CFR Part 570.486 (a). Adopted plans may vary dependent on the municipality, but the following must be included at a minimum:

1. Providing and encouraging citizen participation, particularly participation by lower income persons who are residents of slum and blight areas in which funds are proposed to be used. Citizens must be made aware of where they may submit their views and proposals should they be unable to attend the public hearing.
2. Ensure that residents will be given reasonable and timely access to local meetings, consistent with accessibility and reasonable accommodation requirements in accordance with section 504 of the Rehabilitation Act of 1973 and the regulations at 24 CFR part 8, and the Americans with Disabilities Act and the regulations at 28 CFR parts 35 and 36, as applicable, as well as information and records relating to the unit of local government's proposed and actual use of CDBG funds.
3. Furnish citizens information, including but not limited to:
 - a. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
 - b. The range of activities that may be undertaken with the CDBG funds;
 - c. The estimated amount of the CDBG funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and
 - d. The proposed CDBG activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under §570.488.
4. Provide technical assistance to groups that are representative of persons of low- and moderate-income that request assistance in developing proposals (including proposed strategies and actions to affirmatively further fair housing) in accordance with the procedures developed by the State. Such assistance need not include providing funds to such groups;
5. Provide for a minimum of two public hearings, each at a different stage of the project [Prior to MSF approval and near the grant term end], for the purpose of obtaining residents' views and responding to proposals and questions. Together the hearings must cover community development and housing needs (including affirmatively furthering fair housing), development of proposed activities, and a review of program performance. The public hearings to cover community development and housing needs must be held before submission of an application to the State [MSF approval]. There must be reasonable notice of the hearings and they must be held at times and accessible locations convenient to potential or actual beneficiaries, with accommodations for persons with disabilities. Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate [If 51% of the expected participants are non-English speaking, the hearings will be advertised in a non-English publication available to those residents. A person fluent in the non-English language must be available at the public hearing];
6. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities

which are proposed to be added, deleted or substantially changed from the unit of general local government's application to the State. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the State.

7. Provide citizens the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.

Other Applicable Requirements regarding Citizen Participation Plans:

- All citizen complaints relative to Fair Housing/Equal Opportunity violations involving discrimination must be forwarded to the Michigan Department of Civil Rights [Michigan Department of Civil Rights, Intake Team, 3054 West Grand Blvd., Suite 3-600, Detroit, MI 48202] for disposition. The complainant must be notified in writing within 10 days that, due to the nature of the complaint, it has been forwarded to the Michigan Department of Civil Rights. Citizens must be made aware that they can forward a complaint alleging discrimination directly to the Michigan Department of Civil Rights [Michigan Department of Civil Rights, Intake Team, 3054 West Grand Blvd., Suite 3-600, Detroit, MI 48202]

Publication Affidavit and Public Hearing with Meeting Minutes

Notice for public hearings, which must be substantiated with a publication affidavit, will show that five (5) calendar days minimum notice was provided to citizens, and that the notice was published in a local or applicable newspaper, a sample of a Public Hearing Notice can be found in Chapter 11 of the GAM: <https://www.miplace.org/programs/community-development-block-grant/grant-administration-manual/>. Begin counting day one (1) on the day following the notice.

The following items must be included in the first public notice:

- The amount of funds available for proposed project.
- The range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit LMI persons.
- The plans of the applicant for minimizing displacement of persons as a result of activities assisted with such funds and the benefits to be provided by persons actually displaced as a result of such activities, [if applicable].
- If applicable, the applicant must provide citizens with information regarding the applicant's performance in prior CDBG programs funded by the State.

Written minutes of hearings and an attendance roster must be submitted to the Program Specialist and kept for review by State officials. Nothing in these requirements shall be construed to restrict the responsibility and authority of the applicant for the development of the application.

A second public hearing, known as a performance hearing, must be conducted prior to grant close-out, but after major construction is completed. All requirements for hearing notice and conduct applies to the performance hearing, a sample of a Closeout Public Hearing Notice can be found in Chapter 11.

Applicants must submit proof of notice in the form of an affidavit or a copy of the newspaper page showing the publication date and each public notice with the application.

Additional information on this topic can be viewed in Chapter 11 of the [Grant Administration Manual](#).

CDBG Authorizing Resolution

By default, the highest elected official assumes responsibility of the grant application process, in addition to signing the grant agreement, oversight of grant activities, and signing of grant documents, pay requests, etc. However, the ability to sign grant documents can be delegated to another official (elected or hired). The Authorizing Resolution should be completed prior to signing grant related documents but is often in tandem with the public hearing for the overview of the proposed project, a template of an authorizing resolution can be made available by the CDBG Specialist upon request.

An adopted CDBG Authorizing Resolution will at a minimum contain the following:

1. Identification of the proposed project.
2. Identification of the funding request and the commitment of the UGLG's matching funds.
3. Statement that no project costs (CDBG and non-CDBG) will be incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs has been provided by your CDBG Project Manager.
4. Local authorization to submit the Michigan CDBG Application.
5. Identification, by name and title, of the person authorized to sign the Application and all attachments.
6. Identification, by name and title, of the person authorized to sign the Grant Agreement and all amendments.
7. Identification, by name and title, of the person authorized to sign Payment Requests.

At time of passing the Authorizing Resolution, the UGLG may also designate the Certifying Officer for the NEPA Environmental Review. Please review the NEPA Environmental Review instructions below.

NEPA Environmental Review (24 CFR Part 58)-To be completed if applicant is selected to move forward with application

The purpose of NEPA is to protect and enhance our environment by mitigating the environmental impacts of federally assisted projects. The requirements of NEPA apply to the **entire project** and include project activities funded with CDBG funds and activities funded by other sources such as private or other public funds.

Neither an UGLG nor any participant in the grant process may commit CDBG or non-CDBG funds, including private and other public funds, until the environmental review is completed, and a release of funds is granted. If an UGLG commits funds to a project before the appropriate environmental review is completed, they risk losing their grant and incurring other Federal penalties. Commitment or spending of funds, referred to as "choice limiting actions", includes execution of a legally binding agreement for property acquisition, demolition, rehabilitation, conversion, repair, or construction pertaining to a specific site. Always refer to the CDBG Specialist to seek authorization to incur costs; some activities may be exempted from

environmental review but can only be done through an exemption process authorized by the CDBG Specialist.

Many CDBG grantee activities will require state, or local approvals or permits through relevant state or local laws. Applicants are encouraged to contact the relevant state or local agency regarding environmental regulatory permits or approvals.

The environmental review process should begin as soon as a recipient determines the projected use of HUD assistance. Many UGLG's utilize the services of a certified Grant Administrator or third-party environmental firm to complete, in compliance, the NEPA Environmental Review.

There are five (5) levels of environmental review, as follows;

1. Exempt activities
2. Categorical exclusion not subject to §58.5
3. Categorical exclusion subject to §58.5
4. Environmental assessment
5. Environmental impact statement
 - Projects determined to need an impact statement may need to utilize the assistance of an environmental firm.

An important aspect of the Environmental Review process is developing a meaningful project description; a requirement regardless of the level of environmental review. **Using your application project narrative/description, applicants will build upon that to fulfill NEPA's Environmental Review project description requirements, which at a minimum contain the following:**

- Location: Describe so that community members can locate (i.e. street address)
- Purpose and Need: Describe what is being done and why it is necessary, trends in absence of action
- Type of Environmental Review: Individual (geographically-aggregated) versus tiered (functionally-aggregated); Is this a single location, or more than one location/property in the proposed project
- Project beneficiaries: Who benefits from the project; consider the National Objective being met by the proposed project
- Description: Provide complete details about the project and what will be done
- All funding sources
- All development partners

The UGLG must also designate a Certifying Officer (CO), otherwise known as the responsible official, to ensure compliance with NEPA Environmental Review and related provisions in 24 CFR Part 58. This person is the chief elected official, chief executive official, or an official designated by formal resolution of the governing body. The CO has the authority to assume legal responsibility for certifying that all environmental requirements have been followed, is authorized to certify the Request for Release of Funds and to represent the UGLG in federal court. This responsibility cannot be provided to a grant administrator or consultant.

If there are activities that the UGLG or private entity need to engage prior to the completion of the environmental review process, you will need to seek written authorization from the CDBG Specialist.

Additional information on this topic can be viewed in Chapter 5 of the [Grant Administration Manual](#).

UGLG Procurement Procedure (24 CFR Part 570.489 (g))

This procedure must be written and adopted prior to securing any contract services with CDBG funding. The procurement policy must meet all the requirements contained in 2 CFR 200.317. If a procurement policy is already in place, the UGLG must determine whether it includes all federal requirements and be based on full and open competition. Cost plus a percentage of cost and percentage of construction costs methods of contracting shall not be used. The policies and procedures shall also include standards of conduct governing employees engaged in the award or administration of contracts. (Other conflicts of interest are covered by § 570.489(h). If the policy does not contain all federal requirements (and the UGLG intends to use CDBG funds to secure such services), the policy must be amended accordingly. A Sample of a Procurement Procedure can be found in Chapter 4 of the GAM.

Additional information on this topic can be viewed in Chapter 4 of the [Grant Administration Manual](#).

Additional Compliance (As identified by the CDBG Specialist)

Additional Items may have been identified by the CDBG Specialist. These compliance items are unique to your proposed project and require attention. Refer to the instructions provided by Specialist.

Section 3 Policy (24 CFR Part 75)

UGLG's are responsible for engaging Section 3 designated residents and businesses and being in compliance with 24 CFR Part 75. Additional information on this topic can be viewed in Chapter 9 of the [Grant Administration Manual](#).

Residential Anti-Displacement and Relocation Assistance Plan (RARAP) (24 CFR 42.325)

If residential occupants are present, whether relocation is part of the project or not, the UGLG will need to formally adopt a local RARAP Plan. This is key to ensuring residential occupants will have an established process to refer to in the event relocation occurs, temporary or permanent, as a result of project activities.

Additional information on this topic can be viewed in Chapter 7 of the [Grant Administration Manual](#).

Fair Housing Resolution/Ordinance (24 CFR Part 570.487)

UGLG's are required to certify that it will Affirmatively Further Fair Housing, which can be accomplished several ways, a common effort being to pass a Fair Housing Ordinance. There are additional ways in which an UGLG can show it is taking meaningful measure to Affirmatively Further Fair Housing, which can be viewed in Chapter 9 of the GAM.

Further, the UGLG is required to have a Housing Discrimination Complaint process, in which complaints are processed and forwarded to the appropriate enforcement entity. It is a best

practice to have a UGLG staff person responsible for housing complaints and keeping record of where complaints are referred to.

Additional information on this topic can be viewed in Chapter 9 of the [Grant Administration Manual](#).

Section 504 Accessibility Self-Certification (24 CFR 8)

Section 504 provides rights to persons with disabilities in HUD-funded programs and activities. The UGLG is required to complete a Section 504 Accessibility Self-Certification and keep and make available upon citizen request the self-certification.

Additional information on this topic can be viewed in Chapter 9 of the [Grant Administration Manual](#).

Grievance Procedure (29 US 79 (e))

A grievance procedure must be formally adopted by the UGLG, allowing all persons to file a complaint alleging discrimination on the basis of disability in the provision of services, activities, programs, or benefits by the UGLG. The procedure will at a minimum meet the following outlined in the Grievance Procedure presented in Chapter 9.

Non-Discrimination on Basis of Handicap (45 CFR 1232.9)

The UGLG must have an adopted and implemented policy addressing Non-Discrimination on Basis of Handicap [Disabilities] in their hiring practices or employment practices, as seen in the Grant Administration Manual, Chapter 9. The policy should outline that no qualified handicapped [disabled] person shall, on the basis of disability, be subjected to discrimination in employment or volunteer service under any program or activity that receives federal financial assistance. Relationships with employment and referral agencies, with labor unions, with organizations providing or administering fringe benefits to employees of the recipient, and with organizations providing training and apprenticeships are also subject to the non-discrimination policy adopted by the UGLG.

Additional information on this topic can be viewed in Chapter 9 of the [Grant Administration Manual](#).

UGLG Excessive Force Policy (24 CFR 91.325 (6))

The UGLG must adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engage in non-violent civil rights demonstrations. Additionally, the policy will address the enforcement of applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction, an example of such policy is available in Chapter 9.

Additional information on this topic can be viewed in Chapter 9 of the [Grant Administration Manual](#)

ATTACHMENT K-ANTI-DISPLACEMENT AND RELOCATION PLAN

i. Minimize Displacement

Consistent with the goals and objectives of activities assisted under the Act, the (UGLG) will take the following steps to minimize the displacement of persons from their homes: *(The steps below are examples only, each jurisdiction must determine the actions it will take based on local needs and priorities).*

- A. Coordinate code enforcement with rehabilitation and housing assistance programs.
- B. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent their placing undue financial burden on long-established owners or tenants of multi-family buildings.
- C. Stage rehabilitation of apartment units to allow tenants to remain during and after rehabilitation by working with empty units or buildings first.
- D. Establish facilities to house persons who must be relocated temporarily during rehabilitation.
- E. Adopt public policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
- F. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
- G. Adopt tax assessment policies such as deferred tax payment plans to reduce impact or rapidly increasing assessments on low income owner occupants or tenants in revitalizing areas.
- H. Establish counseling centers to provide homeowners and renters with information on the assistance available to help them remain in their neighborhood in the face of revitalization pressures.

Signature and Title of Authorized UGLG

Date