
**COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY**

Planning Program
PROGRAM GUIDELINES



**MICHIGAN
ECONOMIC**
DEVELOPMENT
CORPORATION



CONTENTS

version	4
1. Purpose And Overview.....	5
1.1. Program Objectives And Priorities	5
1.2. Budget.....	5
1.3. Tie-Back To The Disaster.....	6
1.4. Most Impacted And Distressed Areas	6
1.5. Mitigation Set-Aside	6
1.6. Meeting A National Objective	7
1.7. Funding Sources	7
1.8. Program Administration And Allocation	8
1.9. Eligible Use Of Funds	9
1.10. Hazard Mitigation Plans.....	9
1.11. Resilience Planning	9
2. Eligible Applicants	11
2.1. Eligible Entities.....	11
2.2. MID Areas	11
3. Application Requirements And Review.....	12
3.1. Application Process.....	12
3.2. Notice of Funding Availability (NOFA).....	12
3.3. Application Review.....	12
3.4. Application Submission Requirements.....	13
3.5. Minimum And Maximum Funding Amounts.....	14
3.6. Determination Of Award And Notificaiton	15
4. Grant Management And Finance	16
4.1. Roles And Responsibilities.....	16
4.2. Grant Agreement And Terms And Conditions	17
4.3. Planning Activity Completion.....	17
4.4. Timely Expenditures And Project Completion	18
4.5. Reporting Requirements	18
4.6. Resilience Performance Metrics.....	19
4.7. State And Federal Procurement Standards.....	19
4.8. Pre-Award Expenses	19
4.9. Environmental Compliance	19
4.10. Duplication Of Benefits.....	20
4.11. Financial Management.....	20
4.12. Grant Agreement Modifications And Extensions	21
4.13. Recapture And Cancellation Of Award.....	21
5. Agency Coordination	21



CDBG-DR: PLANNING PROGRAM

6. Compliance And Monitoring 22

 6.1. Program Monitoring And Oversight 22

 6.2. Prevention Of Fraud, Waste, And Abuse 22

 6.3. Conflict Of Interest 23

 6.4. Files, Records, And Reporting Requirements 23

7. Closeout 25

 7.1. Subrecipient Closeout 25

 7.2. Program Closeout 26

8. Terms And Definitions 26



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	July 2023	Original Michigan CDBG-DR Planning Program Guidelines

1. PURPOSE AND OVERVIEW

1.1. 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 Q3 of 2023 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. 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 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.

1.2. BUDGET

Current allocation for the MEDC Planning Program is described within the table below, broken out by appropriation and 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
2020 Planning	\$8,984,700	\$7,187,760	\$1,796,940
2021 Planning	\$2,984,550	\$2,984,550	\$0

1.3. TIE-BACK TO THE DISASTER

Michigan’s Hazard Mitigation Plan describes the state’s vulnerability to about 20 different types of natural hazards, ranging from floods to tornadoes to earthquakes. Since 1977, Michigan has experienced 79 events that resulted in one or more Governor’s declarations of disaster or emergency. Most of those declarations, at both levels, were granted for flooding, tornadoes, winter storms, or severe thunderstorms.

DR-4547¹ and DR-4607² were both flooding events. 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.

1.4. MOST IMPACTED AND DISTRESSED AREAS

The Federal Register Notices (FRN) allocating these funds require 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 4547 or DR 4607.

For the 2020 allocation, HUD identified the counties of Midland, Saginaw, and Gladwin Counties as the Most Impacted and Distressed, and the State also identified Arenac and Iosco Counties. For 2021, HUD identified Wayne County as Most Impacted and Distressed. No other counties were identified by the State as MID.

1.5. 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 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.

¹ Disaster Recovery-4547 MI Initial Notice. [DR-4547-MI Initial Notice | FEMA.gov](https://www.fema.gov/disaster/4547)

² Disaster Recover-4607 MI Public Notice. [DR-4607-MI Public Notice | FEMA.gov](https://www.fema.gov/disaster/4607)



1.6. MEETING A NATIONAL OBJECTIVE

Per 87 FR 6364, III.B.2b. Planning-only activities (state grantees only)³, the State CDBG Program requires that, for planning-only grants, local government grant recipients must document that the use of funds meets a national objective. In the CDBG Entitlement Program, these more general planning activities are presumed to meet a national objective under the requirements at 24 CFR. 570.208⁴. HUD notes that almost all effective recoveries in the past have relied on some form of areawide or comprehensive planning activity to guide overall redevelopment independent of the ultimate source of implementation funds. To assist state grantees, HUD is waiving the requirements at 24 CFR 570.483(b)(5) and (c)(3)⁵, which limit the circumstances under which the planning activity can meet a low and moderate-income or slum-and-blight national objective. Instead, as an alternative requirement, 24 CFR 570.208(d)(4) applies to states when funding disaster recovery assisted, planning-only grants, or when directly administering planning activities that guide disaster recovery. In addition, 42 U.S.C. 5305(a)(12)⁶ is waived to the extent necessary so the types of planning activities that states may fund or undertake are expanded to be consistent with those of CDBG Entitlement grantees identified at 24 CFR 570.205⁷.

1.7. FUNDING SOURCES

The U.S. Department of Housing and Urban Development (HUD) announced that the State of Michigan will receive \$71,931,000 in 2020 and 2021 funding to support long-term recovery and mitigation efforts following severe storms 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.

HUD has allocated \$59,898,000 in CDBG-DR funds to the State of Michigan in response to 2020 severe storms and flooding (DR-4547) through FR-6303-N-01 (Allocation Notice)⁸ made on February 3, 2022.

This allocation was made available through the Disaster Relief Supplemental Appropriations Act of 2022⁹ for major disasters occurring in 2020. In March 2022, HUD allocated an additional

³ 87. FR 6364. Federal Register. Allocations for Community Development Block Grant Disaster Recovery and Implementation of CDBG-DR Consolidated Waiver and Allocation Requirement Notices. HUD 02/03/2022. [Federal Register: Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice](#)

⁴ 24 CFR 570.208. Code of Federal Regulations. Criteria for National Objectives. [eCFR :: 24 CFR 570.208 -- Criteria for national objectives.](#)

⁵ 24 CFR 570.483. Code of Federal Regulations. Criteria for National Objectives. [eCFR :: 24 CFR 570.483 -- Criteria for national objectives.](#)

⁶ 42 USC 5305. US Code. Title 42: The Public Health and Welfare. Activities Eligible for Assistance. [42 USC 5305: Activities eligible for assistance \(house.gov\)](#)

⁷ 24 CFR 570.205. Code of Federal Regulations. Eligible Planning, Urban Environmental Design and Policy-Planning-Management-Capacity Building Activities. [eCFR :: 24 CFR 570.205 -- Eligible planning, urban environmental design and policy-planning-management-capacity building activities.](#)

⁸ FR-6303-N-01. Federal Register. Regulatory and Administrative Requirement Waivers and Flexibilities Available to HUD Public Housing and Section 8 During CY 2022 and CY 2023 to Public Housing Agencies to Assist with Recovery and Relief Efforts on Behalf of Families Affected by Presidentially Declared Disasters. HUD 01/05/2022. [Federal Register: Regulatory and Administrative Requirement Waivers and Flexibilities Available to HUD Public Housing and Section 8 During CY 2022 and CY 2023 to Public Housing Agencies to Assist with Recovery and Relief Efforts on Behalf of Families Affected by Presidentially Declared Disasters](#)

⁹ Disaster Relief Supplemental Appropriations Act of 2022. [Text - S.2789 - 117th Congress \(2021-2022\): Extending Government Funding and Delivering Emergency Assistance Act | Congress.gov | Library of Congress](#)

CDBG-DR: PLANNING PROGRAM

\$12,033,000 in CDBG-DR funds to the State of Michigan from the Appropriations Act for disasters occurring in 2021 (DR-4607) through FR-6326-N-01 (Public Law 117-43) made on May 24, 2022. These CDBG-DR funds are for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 United States Code [U.S.C.] 5301 et seq.)¹⁰ (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” (MID) areas resulting from a qualifying major disaster in 2020 or 2021.

1.8. 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 MEDC, state agencies, or its agents, including eligible subrecipients, and will be implemented in accordance with all HUD requirements for CDBG-DR.

MEDC will provide program-wide oversight and monitoring activities for all applicable state and federal requirements in its administration of the Planning Program. 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.

MEDC will monitor all grant agreement expenditures for quality assurance and to prevent, detect, and eliminate fraud, waste, and abuse. MEDC and the subrecipients are subject to Uniform Guidance Standards of 2 CFR 200¹¹, 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. 87, No. 100, May 24, 2022 (87 FR 6326).³ Payments will be made on a

¹⁰ 42 USC 5301. US Code. Title 42: Public Health and Welfare. Congressional Findings and Declaration of Purpose. [42 USC 5301: Congressional findings and declaration of purpose \(house.gov\)](https://www.congress.gov/legislation/bills/117/summary/42-5301)

¹¹ 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](https://www.ecfr.gov/current/title-2/chapter-I/part-200)

reimbursement basis and program policies and procedures will detail reimbursement requirements.

1.9. ELIGIBLE USE OF FUNDS

This program allows for funding of activities as described in the HCDA Section 105(a)¹²:

- 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.

1.10. 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 §201.6¹³ (“Local Mitigation Plans”). HMPs must be submitted to the State Hazard Mitigation Officer (SHMO) for initial review and coordination with FEMA. 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. MSP/OHSEP directs applicants and subrecipients to reference these guides when pursuing the mitigation activities under the FEMA Mitigation Planning program¹⁴.

1.11. RESILIENCE PLANNING

The purpose of **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 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

¹² Housing and Community Development Act of 1974 (HCDA). Section 105: Eligible Activities. [Appendix A: HCDA Eligible Activities for States \(hudexchange.info\)](#)

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

¹⁴ Local Mitigation Planning Handbook https://www.fema.gov/sites/default/files/2020-06/fema-local-mitigation-planning-handbook_03-2013.pdf; Local Mitigation Plan Review Guide https://www.fema.gov/sites/default/files/2020-06/fema-local-mitigation-plan-review-guide_09_30_2011.pdf

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.

1.11.1. 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.

1.11.2. 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).

1.11.3. 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 2015¹⁵.

1.11.4. 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 2015 Michigan Energy Codes¹⁶.

1.11.5. 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.

¹⁵ 2015 Michigan Building Code. [2015 Michigan Building Code based on the International Building Code 2015 \(IBC 2015\) \(up.codes\)](#)

¹⁶ 2015 Michigan Energy Code. [2015 Michigan Energy Code based on the International Energy Conservation Code 2015 \(IECC 2015\) \(up.codes\)](#)

2. ELIGIBLE APPLICANTS

2.1. 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 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.

2.2. MID AREAS

For the 2020 allocation, HUD identified the counties of Midland, Saginaw, and Gladwin Counties as the Most Impacted and Distressed, and the State also identified Arenac and Iosco Counties. For 2021, HUD identified Wayne County as Most Impacted and Distressed. No other counties were identified by the State as MID.

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.

3. APPLICATION REQUIREMENTS AND REVIEW

3.1. APPLICATION PROCESS

Applicants, including MSP/OHSEP, will apply for the program by completing an application and submitting it to 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, MEDC may announce subsequent opportunities for eligible applicants to apply for additional funds. 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. 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, MEDC will also be available to answer questions and provide guidance throughout the application process.

3.2. NOTICE OF FUNDING AVAILABILITY (NOFA)

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.

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.

3.3. 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.

3.3.1. 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.

CDBG-DR: PLANNING PROGRAM

- 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 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.

3.4. 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.

3.4.1. Applicant Entity

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

3.4.2. 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 code). The applicant is NOT required to engage in all eligible activities but only those activities the applicant is interested in pursuing.

3.4.3. 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.

3.4.4. 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.

3.4.5. Cost Share

Applicants may apply to use 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. MEDC reserves the right to request additional clarifying information regarding other funding sources before an award is made.

3.5. MINIMUM AND MAXIMUM FUNDING AMOUNTS

For State HMP efforts led by MSP/OHSEP, the maximum amount of funding available is capped at \$500,000 and will be prioritized for funding through this program. For local jurisdictions engaged in Hazard Mitigation Planning or Resilience Planning categories, the maximum grant amount for each awarded planning activity is capped at \$150,000 for Hazard Mitigation Planning and

\$300,000 for Resilience Planning. MEDC may update allocation amounts and award caps based on demand for the program and funding availability.

3.6. DETERMINATION OF AWARD AND NOTIFICATION

Projects selected for funding by MEDC may be offered all or a portion of the total requested funding. MEDC reserves the right to fund individual components of a proposed project depending on available funding and program priorities. Once award amounts are determined, 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 MEDC and the applicant.

4. 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, MEDC also follows the applicable previous notices.

Federal Register and Public Laws	Title	Publish Date
87 FR 6364	Federal Register / Vol. 87, No. 23	February 3, 2022
87 FR 31636	Federal Register / Vol. 87, No. 100	May 24, 2022

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 MEDC. Payments will be made on a reimbursement basis and program administrative procedures will detail reimbursement requirements.

4.1. ROLES AND RESPONSIBILITIES

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 MEDC, Internal audits, monitoring contractors
- Procurement and contractor management
- Compliance with all applicable rules and regulations
- Closeout procedures
- Maintaining records for the required minimum retainment period



4.2. 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. MEDC reserves the right to amend grant agreements to ensure project completion and funds are being utilized compliantly.

4.3. PLANNING ACTIVITY COMPLETION

Since this is a deliverable-based program, 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 2015. 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 2015 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 approval as 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.

4.4. 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 MEDC and the subrecipient. 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.

4.5. REPORTING REQUIREMENTS

In order to meet the HUD requirement for submitting the DRGR Quarterly Performance Report, 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

4.6. 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, MEDC Planning awardees will work with 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 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.

4.7. 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 policies¹⁷.

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

4.8. PRE-AWARD EXPENSES

No pre-award activities will be considered for funding.

4.9. 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

¹⁷ MEDC CDBG Administration Manual <https://www.miplace.org/4a95ae/globalassets/documents/cdbg/gam/chapter-04/reading/04-procurement-and-contracting>

(CENST) Section 58.5 pursuant to 24 CFR Part 58.34(a)¹⁸ and 58.35(b)¹⁹. The CENST was completed at the CDBG-DR program level for Planning Activities. Any Public Service activities will require its own environmental review.

4.10. 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.

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) or Building Resilient Communities and Infrastructure Program (BRIC), 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 under the program.

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 Grantees²⁰).

4.11. FINANCIAL MANAGEMENT

As per this program policy and other documentation, 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. MEDC's financial policies will also ensure the following are met:

- 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.
- 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

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

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

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

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, MEDC will notify HUD of the changes and any substantial changes will be reviewed by HUD.
- MEDC will submit to HUD mandatory quarterly progress reports for HUD's review of program progress. See Reporting Requirements Section 5.11.

4.12. 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. 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.

4.13. 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, MEDC does not anticipate the need for recapture of funds.

5. AGENCY COORDINATION

MEDC is committed to working with partners to strengthen the planning program. 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. 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. MEDC will align the reimbursement and/or close out process with the MSP/OHSEP approval process.

MEDC will collaborate with the State of Michigan Licensing and Regulatory Affairs to ensure priorities relating to code compliance align property within the parameters established by both parties; 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 201.4²¹ and 44 CFR 201.6²².

²¹ 44 CFR 201.4. Code of Federal Regulations. Standard State Mitigation Plan. [eCFR :: 44 CFR 201.4 -- Standard State Mitigation Plans.](#)

²² 44 CFR 201.6. Code of Federal Regulations. Local Mitigation Plan. [44 CFR 201.6 - Local Mitigation Plans. \(govregs.com\)](#)

6. COMPLIANCE AND MONITORING

6.1. 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.

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 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 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 Chapter 12 of the GAM (monitoring.pdf (miplace.org)).

6.2. PREVENTION OF FRAUD, WASTE, AND ABUSE

As grantee of the CDBG-DR funds, 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. 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.

6.3. 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)²³.

Other federal regulations with which the grantee must comply are the conflict-of-interest requirements in 24 CFR 570.611²⁴.

6.4. 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
- 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)

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

²⁴ 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.](#)

CDBG-DR: PLANNING PROGRAM

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. 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 MEDC.

6.4.1. 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.

6.4.2. 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.

6.4.3. Record Retention Policy

Pursuant to 24 CFR 570.490(d)²⁵ 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 §570.487²⁶ and §570.488²⁷. 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.

7. CLOSEOUT

7.1. 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 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.

MEDC will work with the subrecipient to collect all close out documentation for their file in accordance with the Grant Administration Manual Chapter 13 Grant Closeout to ensure the project warrants closeout. MEDC will disencumber any remaining funds, if applicable, and enter all needed information in DRGR to show the activities and projects are “completed.”

If there is a change in scope or project cost that would affect the proposed accomplishments or geography, 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.

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

²⁶ 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.](#)

²⁷ 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.](#)

CDBG-DR: PLANNING PROGRAM

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, 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.

7.2. 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 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 special 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.

8. TERMS AND DEFINITIONS

CDBG-DR: PLANNING PROGRAM

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 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.

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.

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

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.

CDBG-DR: PLANNING PROGRAM

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.

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: A non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. For the Resilient Communities Program, the subrecipients are the applicants. They include Units of local government (cities and counties), Indian Tribes, and councils of governments located within a CDBG-DR eligible area.

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.