



DR-24 Neighborhood Facilities  
Power Generation Resilience Program  
Guidelines

Version 1.0

Approved: XX/XX/XXXX

## Language and Disability Accommodations

Every effort will be made to assist Applicants and/or Subrecipients by providing program information, upon request, (including application and supporting forms/documents) in the top six languages spoken in Houston (Spanish, Vietnamese, Chinese, Arabic, French, and Urdu), and other native languages will be offered in a manner consistent with Title VI of the Civil Rights Act of 1964 and its implementing regulations, such as U.S. Department of Housing and Urban Development (HUD) regulations per [24 CFR §5.502](#) and [§8.6](#); Title II of the Americans with Disabilities Act of 1990 (Pub. L. No. 101-336, 42 U.S.C. §§ 12101-12213)(ADA); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794)(Rehabilitation Act); and other related regulations and directives. To ensure effective communication, these regulations also require consideration of special populations including but not limited to persons with disabilities and persons with limited English proficiency (LEP) as outlined in the latest [City of Houston \(City\) Administrative Procedure 2-11: Language Access](#) and other related regulations and directives.

Individuals who require an accommodation for language access (individuals who are non-English speaking or have limited English proficiency) or due to an impairment, or disability, may contact Program staff at (832) 394-6200 or [hcd@houstontx.gov](mailto:hcd@houstontx.gov).

Examples of potential accommodation may include:

- Arranging for qualified American Sign Language interpreters;
- Providing on-site captioning and/or remote conference captioning services;
- Producing alternate formats of print materials in braille, large print, or in an electronic format; and/or
- Accessible electronic and information technology.

Upon receiving an accommodation request, the City may contact the Applicant and/or Subrecipient to obtain additional information to better assess the need. The City will make a good-faith effort to accommodate all reasonable requests that allow the Applicant and/or Subrecipient to effectively participate in the Community Development Block Grant –

Disaster Recovery 2024 (DR-24) Neighborhood Facilities Power Generation Resilience Program (Program).

## Contact Us

It is our mission to make participating in the Program as straightforward and expedient as possible while remaining fully compliant with the conditions of this federal award. We welcome feedback from applicants and the general public regarding how we can improve our service to Houstonians. We further encourage interested parties to reach out to their federal elected officials and provide feedback.

We welcome any questions or feedback regarding this document. To file a complaint or appeal, please refer to the respective sections [Complaints](#) or [Appeals](#) for instructions. To report potential fraud, waste, or abuse, please reference [Anti-Fraud, Waste, And Abuse](#) for instructions.

For all other inquiries, we can be reached at the following:

**Housing and Community Development Department**

2100 Travis St., 9th Floor  
Houston, TX 77002  
(832) 394-6200

[hcd@houstontx.gov](mailto:hcd@houstontx.gov)

## Disclaimer

This document provide an overview of the DR-24 Neighborhood Facilities Power Generation Resilience Program eligible activities and requirements, but they do not and are not intended to replace any existing guidance produced by HUD or an attorney. The information provided in this document is not intended and does not constitute legal advice. Readers of this document should contact their attorney to obtain advice with respect to any particular legal matter or question and compliance with applicable law. Information in this document may not represent the most up-to-date legal or other information. These DR-24 Neighborhood Facilities Power Generation Resilience Program Guidelines are subordinate to federal statutes, the Code of Federal Regulations (CFR) and federal notices from HUD's Office of Community Planning and Development (CPD).

**Note:** This document contains links and references to third-party websites or other sources. Such links and references

are for convenience only. The City does not necessarily endorse the contents of said third-party websites or sources.

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## **Introduction**

In 2024, the City of Houston (City) experienced two major devastating weather events: a powerful windstorm from May 16-17 (Derecho), and July 5-9, 2024 (Hurricane Beryl). In response, the U.S. Department of Housing and Urban Development (HUD) published Federal Register Notice 90 FR 4759, appropriating \$12 billion in Community Development Block Grant – Disaster Recovery funding, published on January 16, 2025, to assist in the long-term recovery for the 2024 presidentially declared disasters Derecho and Hurricane Beryl, referred to as the (“2024 Storms”).

Of this \$12 billion appropriation, the City has received a direct allocation from HUD of \$314,645,000.00 to support long-term recovery efforts following the 2024 Storms for development and implementation of programs that directly benefit low-and-moderate income (LMI) households.

These guidelines ensure both compliance with HUD under the American Relief Act, 2025, (Pub. L. 118-158, the “2025 Appropriations Act”) approved December 21, 2024, applicable Public Laws and Federal Registers as determined by the funding sources, and the respective HCD CDBG-DR24 Action Plan, as amended.

## **Program Overview**

### **1 Summary**

The DR24 Neighborhood Facilities Power Generation Resilience Program (“Program”) is a mitigation activity supported by stakeholder and community input that will assist eligible City-owned and operated public facilities. This Program is intended to address emergencies/back-up power generation needs at City facilities. More specifically, it seeks to improve drinking water, wastewater operations, public safety services, and public facilities access to community/multiservice centers and/or libraries across our city, in communities where people can thrive.

The program’s objective is to enhance community resilience measures by mitigating impacts of prolonged power outages during extreme weather events – installation of permanently affixed full-site standby/emergency power generation – as well as distribution options to deliver critical public safety services and/or to be a resource to the community. HCD will use data

to design and evaluate the success of our programs and will be transparent about how the recovery is unfolding.

## **2 Program Administration**

The Program will be administered in accordance with these guidelines, the Stafford Act, as amended, and its implementing regulations, the Grant Agreement between the City and HUD (Grant Agreement), the Program Standard Operating Procedures (SOP), applicable HUD CDBG-DR24 regulatory requirements and guidance, the HUD Universal Notice, and all applicable federal, state, and local statutes, regulations, ordinances, rules, and policies. These guidelines apply to the Program administered by the City of Houston’s Housing and Community Development Department (HCD) Public Facilities Division, using CDBG-DR24 funding and outlines the requirements for activity selection, underwriting, closeout, etc., for this Program.

In compliance with 90 FR 1754 (III.A.1., “Development of program-specific policies and procedures”), these guidelines have been finalized within eighteen months from the applicability date of the Allocation Announcement Notice, January 21, 2025.

The City has allocated 32.19% of its CDBG-DR24 funds—totaling \$101,291,150.00—to administer this Program. These funds support resilience improvements that help ensure critical public services remain operational for Houstonians during extreme weather events, particularly in vulnerable communities.

Daily administration of the Program and its Guidelines will be under the direct supervision of the HCD Director, or their designee. HCD Public Facilities Division (“PF”) will provide oversight of all infrastructure-related activities funded with CDBG-DR24 funding to ensure federal, state, and local compliance as outlined in this document.

In collaboration with the Subrecipient or Contractor, the program area staff will be responsible for underwriting the activity, eligibility determination, duplication of benefits review, inspection and environmental protocols, award determination, contract and contractor assignment, construction, and completion. Where appropriate, a City department may be designated as a Subrecipient or Contractor to carry out activity oversight responsibilities in coordination with the Housing and Community Development Department (HCD).

However, Program funding will be provided to the selected Subrecipients or Contractors. Subrecipients or Contractors must develop and implement policies, procedures, and processes to deliver and maintain activities and/or services. Activities and/or services may be provided by the Subrecipient or Contractor directly or in partnership with governmental, private sector, or non-profit partners. HCD will monitor Subrecipients or Contractors throughout the life of the activity.

### **3 National Objective**

All activities funded through this Program, unless the requirement is waived by HUD, are required to meet one of the two National Objectives specified in 24 CFR § 570.208. Pursuant to 42 USC § 5301(c), the Program activities will be carried out to meet the National Objectives: (1) Benefit Low-and Moderate-Income Persons (LMI), per 24 CFR § 570.208(a), or (2) Urgent Need (UN), per 24 CFR § 570.208(c).

### **4 Key Funding & Program Objective**

The Federal Register Notice 90 FR 4759 requires that 100% of the total award benefit the HUD-identified most impacted and distressed (MID) area. HUD has designated Houston, TX entire jurisdiction as a HUD-identified MID area. At least 70 percent of the funds will be used for activities that benefit LMI persons by providing emergency power generation, addressing indirect impacts from the disasters, increasing resilience, reducing risk, and lessening the impact of future disasters.

### **5 Pre-Award Costs**

Pre-Award costs are eligible Activity Delivery Costs incurred by the City or its Subrecipient or Contractors directly related to delivery of a specific CDBG-DR activity as defined in 2 CFR § 200.458, if the environmental review and all other cross-cutting requirements are met before the underlying activity (e.g., rehabilitation of a government building) begins. This includes compliance with 2 CFR Part 58.

Costs must be tied to delivering specific CDBG-DR activities including, but not limited to:

- Activity-specific environmental reviews, design, and engineering;
- Duplication of benefits review and analysis;
- Development of program policies and procedures necessary to implement program; and

- Conducting underwriting or applicant selection.

Cost may be eligible for reimbursement, provided that:

- Cost are reasonable;
- All HUD and applicable federal procurement regulations have been followed; and
- The applicant can demonstrate proper procedure was followed.

## **6 Use of CDBG-DR as Match**

Funds may be used to meet a matching, share, or contribution requirement for another federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by FEMA or the U.S. Army Corps of Engineers (USACE). By law<sup>1</sup>, the amount of CDBG-DR funds that may be contributed to a USACE project is \$250,000 or less.

**Note:** The Appropriations Act prohibits supplanting the use of CDBG-DR funds for any activity reimbursable by, or for which funds are also made available, by FEMA or USACE.

## **Eligibility Overview**

To be considered eligible for funding under the Program, an application must satisfy all threshold eligibility requirements, comply with federal statutory and regulatory requirements governing CDBG-DR funds, and address an unmet recovery need resulting from the 2024 Storms.

Eligibility determinations are made in accordance with:

- Section 105(a) of the Housing and Community Development Act of 1974 (HCDA)(42 USC § 5305(a))
- Section 104(b)(3) of the HCDA
- 24 CFR Part 570
- 2 CFR Part 200

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<sup>1</sup> As codified in the HCDA as a note to section 105(a).

- 24 CFR Part 58
- Federal Register Notices 90 FR 1754 and 90 FR 4759
- The City of Houston’s HUD-approved Action Plan for Disaster Recovery – 2024 Storms
- Public Law 118-158

Failure to meet any required eligibility component may result in denial of funding.

### **1 Eligible Applicants**

An eligible applicant must be an entity. Eligible applicants can partner with other state agencies, counties, or municipalities to administer the activity. An Interlocal Agreement or Memorandum of Understanding (MOU) must be signed between the partnering entities prior to execution of the Subrecipient Agreement or contract (“Agreement”) with HCD.

Subrecipient and Contractor(s) will be selected through a request for proposal (RFP) process, and funding will be awarded to selected Subrecipient or Contractor(s) based on the needs of the program and in accordance with HCD Procurement SOP #05-08.

**Duplication of Benefits.** All applicants are subject to a Duplication of Benefits Analysis. An Applicant must disclose all other sources of disaster assistance received from other funding sources for the same activity purpose. This includes, but is not limited to the following:

- Any insurance proceeds or claims filed with anticipated proceeds
- Any SBA loans offered, accepted, declined, or canceled
- Any FEMA assistance offered, received, or anticipated
- Any State or Local disaster funds
- Any Local Capital Improvement funds set aside, irrespective of the funding source
- All other disaster-related funding received or expected from any other source

Applicants are required to provide complete and accurate documentation to support this disclosure. Failure to disclose disaster assistance may result in repayment obligations or recapture of funds.

**Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 USC §§ 2, 287, 1001 and 31 USC § 3729.**

Before awarding any assistance, HCD will verify whether any previously received assistance qualifies as duplicative benefits. A duplication of benefits will not disqualify an applicant from receiving assistance unless the unmet is \$0.00 or exceeds the Total Need. However, any funds received for the same recovery purpose will be deducted from your eligible award amount, when feasible.

The award for a selected applicant will equal the Total Amount Need minus the Total Amount of Assistance.

$$\text{Total Need} - \text{Total Assistance} = \text{Eligible CDBG-DR Award}$$

See also [Duplication of Benefits & Subrogation](#) under Compliance Criteria for DOB Exclusions.

**Subrogation.** An Applicant that is selected to be a Subrecipient or Contractor must complete and sign a Subrogation Agreement, prior to receiving funding. This Subrogation Agreement requires the Applicant to:

- Notify HCD if you receive additional disaster funds after your award is determined;
- Repay any funds that duplicate your CDBG-DR assistance; and
- Comply with federal fraud and false claims laws.

See also [Duplication of Benefits & Subrogation](#) under Compliance Criteria.

## **2 Activity Threshold Priorities**

Essential City-owned and -operated public facilities, without permanent emergency back-up power generation, will be prioritized.

The City must provide a detailed list and description of facilities that meet the eligibility requirements (including meeting a national objective), addressed unmet needs, and include plans to mitigate against future storms, and show how the proposed activity will assist the community long-term recovery efforts after the 2024 Storms.

### 3 Eligible Activities

To be eligible for funding, applicants must propose activities that align with CDBG-DR requirements and priorities as outlined in the 2024 Storms Action Plan for Disaster Recovery – 2024 Derecho & Beryl, Universal Notice 90 FR 1754, and listed at 24 CFR § 570.201 and Section 105(a) of the HCDA.

Infrastructure activities may include, but not be limited to:

- Restoration or improvement of infrastructure damaged by the 2024 Storms (such as water and sewer facilities, streets, removal of debris, drainage, bridges, installation and maintenance of generators, etc.).
- Repairs to buildings that are essential to the health, safety, and welfare of a community when repairs to these buildings constitute an urgent need (this can include police stations, fire stations, community centers, libraries and other public properties, including properties serving as emergency shelters).
- Repairs to water lines and systems, sewer lines and systems, drainage, and flood mitigation systems.

Additionally, the City may count funds expended for infrastructure activities towards benefiting LMI persons and meeting the overall benefit requirement. The City may assist private utilities as part of a disaster-related eligible activity under Section 105(a) of the HCDA of 1974 (42 USC § 5305(a)). While it is possible that not every CDBG-DR assisted utility will serve predominantly LMI populations, HUD recognizes that LMI populations would benefit from the increased resilience and recovery of private utilities.

HUD is imposing the following alternative requirements. The City may assist private for-profit, non-profit, or publicly owned utilities as part of eligible, disaster-related activities under Section 105(a) of the HCDA or otherwise made eligible through a waiver or alternative requirement, provided that the City complies with the following:

- **General CDBG-DR Compliance.** Funded activities must comply with applicable CDBG-DR requirements, including the requirements that the assisted activity will meet a national objective, the activity will address an unmet recovery need or risk identified in the City's mitigation needs assessment. If the assistance is provided to a for-profit entity for an economic development activity under Section 105(a)(17), the City must first comply with any applicable underwriting requirements.

- **LMI Benefit Prioritization.** To fortify compliance with the existing certification when the City carries out activities that assist private, for-profit utilities, the City must prioritize assistance to utilities that will benefit areas where at least 51 percent of the residents are LMI persons. The City must also demonstrate how assisting the private, for-profit utility will benefit those areas.
- **Cost Reasonableness and Duplication of Benefits.** The City must determine that the costs of activities to assist utilities are necessary and reasonable and that such costs do not duplicate other financial assistance. When assistance benefits private, for-profit utilities, the City must document the level of assistance is limited to the utility's actual identified needs.
- **Financing Structure and Need Determination.** The City must establish and implement policies and procedures to ensure that the CDBG-DR assistance for private, for-profit utilities reflect the actual identified financing needs. This includes determining an appropriate mix of financing terms (loan, forgivable loan, and/or grant) for each assisted private, for-profit utility, based on the business's financial capacity, in order to ensure that assistance is based on actual identified need.

#### 4 Ineligible Activities

Per the Universal Notice 90 FR 1754, prohibited activities include, but is not limited to, the following:

- Assistance to buildings for the general conduct of government (*e.g.*, buildings that do not provide services all year round and that are exclusively Emergency Operation Centers), located within the City limits.
- The use of CDBG-DR funds to enlarge a dam or levee beyond the original footprint of the structure that existed before the disaster event, without obtaining pre-approval from HUD and any Federal agencies that HUD determines are necessary.

Any activity that is not authorized under Section 105(a) of the HCDA (24 USC § 5305(a)) is ineligible to be assisted with CDBG-DR funds, unless explicitly allowed by waiver and alternative requirement in the Universal Notice or specified within the AAN.

## 5 Eligible Costs

Applicants budget must include all costs related to the proposed infrastructure activity to include, but is not limited to, the following:

- Administrative;
- Environmental review;
- Design cost;
- Construction cost;
- Purchase and installation of gas generators; and
- Other and necessary maintenance of the infrastructure activity.

HCD will review the activity budget to distinguish which costs are eligible for CDBG-DR24 funding per the Federal Register Notice 90 FR4759, Section 105(a)(2) of the HCDA (42 USC §5305(a)(2)), 24 CFR §570.201(c), and the Action Plan.

**Note:** It is the strong preference of HCD to fund generators or other back-up power generation and storage enhancements at City facilities (e.g. fire and police stations, community centers, and other public facilities). This will allow continued access to public safety facilities, wastewater lift stations, and multi-service centers to serve as shelters or distribution points during or immediately following a disaster. This includes but is not limited to the following:

- Repair or replace existing power generators
- Install power generators
- Fuel storage
- Fuel extended tank
- Generator covers or enclosures
- Power transfer system
- Generator pads
- Generator lift kits or hang kits

- Generator battery/batteries
- Cold weather kit
- Smart management monitors
- Generator wiring or convenience cords

HCD will apply the following cost principles and requirements in the analysis and ongoing compliance review of allowable costs.

As outlined in **2 CFR 200 Subpart E**, all costs must meet four criteria:

- **Necessary:** CDBG-DR funding will fill a necessary gap to address an unmet need that cannot be filled by another funding source, demonstrated by conducting a duplication of benefits analysis and calculation for each activity.
- **Reasonable:** Costs do not exceed what a prudent person would incur under similar circumstances as demonstrated by the market price for comparable goods and services.
- **Allowable:** Costs must be allowable under CDBG-DR regulations and under 2 CFR 200 Subpart E. Some costs such as lobbying, entertainment, and alcohol are never allowed under any circumstances.
- **Allocable:** Costs must be clearly allocated, meaning the cost is assigned to a CDBG eligible activity with a methodology for determining where to attribute cost.

Activity Delivery Costs must be tied to the time staff and contractors dedicate to a specific activity. Applicants must show how the proposed Activity Delivery Costs are or will be cost reasonable through procurement of professional services and/or cost of in-house staff to provide program or project related services. All Activity Delivery Costs must be included as part of the total activity costs in a request for CDBG-DR funding. HCD will not reimburse any ineligible costs requested for activities with CDBG-DR24 funds.

## **6 Cost Reasonableness**

HCD seeks to balance HUD requirement that all activities meet the standard of cost reasonableness with providing sufficient funding to address unmet storm recovery and resilience needs.

HCD and its Subrecipients or Contractors must demonstrate cost-effective practices by:

1. Addressing a problem caused by the 2024 Storms that poses a significant risk to the public health or safety if left unresolved.
2. Ensuring that total activity cost will not exceed the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disaster were to occur.
3. Demonstrating the activity has been determined to be the most practical effective, and environmentally-sound alternative after consideration of a range of options.
4. Demonstrating the activity contributes, to the extent practicable, to a long-term solution to the problem it is intended to address.
5. Demonstrating the activity considers long-term changes to the areas and entities it protects and has manageable future maintenance and modifications requirements.

## **Subrecipient/Contractor Awards**

### **1 Maximum Award & Performance Period**

The maximum award is approximately \$20,000,000 for each activity site. Each activity maximum award amount is subject to the availability of funds and will be stated in the Agreement.

The contract performance period between HCD and the Subrecipient or Contractor will be 12 months with an option to extend two (2) times for up to six (6) months each by written notice and at the sole discretion of the Director(s).

### **2 Subrecipient Agreement Process**

After eligible activities have been reviewed and identified by the City, HCD will work with the Subrecipient or Contractor to collect eligibility determination documentation to include a National Objective review for approval of the activity as outlined in the Program's Standard Operating Procedures.

Once drafted by HCD Legal Department, the Agreement will be sent to the applicant via email for review and approval. At this time, the activity will undergo an internal eligibility approval process to include receipt of the

Environmental Clearance. After final eligibility approval and the applicant has signed and returned the Agreement, it is sent to the Council Agenda Office for City Council approval.

### **3 Subrecipient or Contractor Implementation Guidance**

Following award and execution of the agreement, the Subrecipient or Contractor should reference the 2024 Storms Action Plan and the applicable federal register for guidance and requirements throughout the implementation process.

### **4 Procurement**

Subrecipients or Contractors must adhere to the City proficient procurement process as outlined in HCD Procurement Standard Operating Procedures #05-08 and provide adequate documentation to show that the selection processes were carried out in an open, fair, uniform, thorough manner and consistent with the General Procurement Standards identified in 2 CFR §200.318-200.327.

The City and Subrecipient or Contractor must ensure all performance requirements in contracts specify CDBG-DR cross-cutting requirements including, but not limited to the following:<sup>2</sup>

- Period of Performance
- Date of Completion
- Agreed Price
- Performance Requirements
- Liquidated damages
- Section 3, DBRA, MWSBE, Pay or Play (POP), as applicable
- Other applicable federal regulations

A Subrecipient or Contractor may adopt the procurement policies and procedures of the City to promote consistency and eliminate confusion about which procurement rules apply provided that the procurements conform to applicable Federal law. A copy must be provided to the City for record retention.

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<sup>2</sup> See also, [Statute and Regulatory Compliance](#).

These procurement requirements must be followed for reimbursement of CDBG-DR funds provided by HUD from the grant allocation for the 2024 Storms. Subrecipient, Contractors, vendors and the City are also required to follow state and local procurement law and policies.

## **Compliance Criteria**

All eligible applicants under this Power Generation Program must comply with all CDBG-DR terms and conditions for successful program and/or activity and compliance management of a grant. The Agreement will include, but is not limited to, the following.

- National Objectives
- Cross Cutting Federal Regulations
- Citizen Participation Requirements
- Cost Reasonableness
- System of Record and Reporting
- Anti-Fraud, Waste, and Abuse

### **1 National Objective**

All activities must meet one of the national objectives set out in the HCDA, with at least 70% of the dollar going towards activities benefiting from LMI persons. The two National Objectives that may be utilized are:

1. Benefit Low- and Moderate-Income Persons (LMI) or LMI Areas; or
2. Urgent Need (UN).

### **2 LowModerate Area (LMA) Benefit**

The Program will prioritize LMA as the national objective for infrastructure activities. LMI criteria is used to determine if an activity meets the LMA National Objective. In order to meet LMA benefits, 51% of the residents of the activity service area must be LMI. Population data and percentage of LMI residents must be documented by census tract and block groups within the activity service area or area of benefit.

### **3 Duplication of Benefits & Subrogation**

Federal law prohibits Duplication of Benefits (DOB) to Applicants who may be able to receive (or have received) assistance from another party (e.g. private (homeowner) insurance or another federal or state program) for the

same purpose. HCD will follow all applicable federal, state, and local laws, including HCD Policy #01-49: Duplication of Benefits and HCD #01-49F: DR24 Duplication of Benefits SOP when determining any DOB.

Each Applicant must attest to any assistance already received towards the eligible activity. The amount of this assistance will be deducted from the total assistance given by HCD. The remainder (the “unmet need”) is the maximum allowable assistance under federal law.

**Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 USC §§ 2, 287, 1001 and 31 USC § 729.**

HCD will ensure compliance through the collection, analysis, and verification of third-party benefits received by Applicants. HCD may verify Applicants’ information against information obtained from private insurance, the Small Business Administration (SBA), the Federal Emergency Management Agency (FEMA), and/or volunteer organizations (including in-kind assistance) used for the same purpose that the HCD award is intended to assist.

Applicants must certify that they understand this requirement as part of the Applicant’s contract documents with the City.

**DOB Exclusions.** If the Applicant obtained a subsidized short-term loan to pay for eligible costs before CDBG–DR funds became available (for example, a low-interest loan from a local tax increment financing fund), the reimbursement of the costs paid by the loan does not create a duplication. Additionally, the amount of a subsidized loan that is declined or cancelled is not a DOB.

Any insurance proceeds applied to a lien and/or subsidized loans that are declined or canceled are not counted as a Duplication of Benefits<sup>3</sup> but must still be disclosed. To exclude these amounts from the DOB calculation, the Applicant must provide documentation to HCD that all or a portion of the proceed was applied to a lien or the subsidized loan was cancelled or declined.

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<sup>3</sup> [84 FR 28836](#)

If the Subrecipient or Contractor obtained a subsidized short-term loan to pay for eligible costs before CDBG-DR funds became available (e.g., a low-interest loan from a local tax increment financing fund), the reimbursement of the costs paid by the loan does not create a duplication.

HCD will notify the SBA that the Applicant has agreed to not take any actions to reinstate the cancelled loan or draw any additional undisbursed loan amounts.

Applicants must also notify the SBA and/or relevant financial institutions that they have agreed not to take any actions to reinstate a cancelled loan or draw any additional undisbursed loan amounts. The Program will require documentation as proof.

SBA disaster loans will be counted as a DOB, provided the assistance was used toward a loss suffered as a result of Hurricane Beryl and Derecho.

All Applicants will be required to sign a Subrogation Agreement permitting the City to recover any duplicative assistance that may be issued to the Applicant after the time of original award if the payout is in connection to Hurricane Beryl and Derecho and would have counted as a DOB.

#### **4 Subrogation**

All Applicants must sign a Subrogation (Subrecipient) Agreement at the time of application and again at the execution of the grant or loan agreement. Applicants are required to commit in writing to provide HCD with notification of any additional funds received by an applicant/activity for the same purpose and to return any such additional assistance awards to the program. HCD staff will include a subrogation clause in all written funding agreements with Subrecipients or Contractors receiving CDBG-DR24 funds.

If a selected applicant receive additional funds for the same recovery purpose after award execution, HCD will reassess the award and may reduce the award, amend the Agreement, require repayment to the other funding source, and/or recapture the amount of duplicative benefits.

#### **5 Recapture**

HCD may reclaim all or part of the CDBG-DR24 grant funds if a DOB is identified after assistance has been provided. This recapture process will follow the guidelines set forth in 2 CFR Part 200 and the Stafford Act (Chapter 37 of Title 31).

In the event a potential DOB is discovered post-assistance, HCD is required to reassess the applicant's/activity's unmet need at that time. If the reassessment determines that there is no additional unmet need, any CDBG-DR24 funds exceeding the verified need will be subject to recapture.

## **6 Environmental Review & Clearance Review.**

Environmental Review provisions require all federally funded activities, funded in whole or in part, to undergo an environmental review to determine its potential environmental impact and health impact to the end user, and if it meets the applicable federal, state, and local environmental standards as required by HUD. In compliance with [24 CFR Part 58](#), HCD will conduct an environmental review prior to awarding any federal CDBG-DR funds for all activities as outlined in the latest HCD procedure #21-16 Environmental Review SOP.

All CDBG-DR activities are to comply with the provisions of NEPA, as well as all HUD environmental regulations provided in 24 CFR Part 58. The program will be responsible for securing any required environmental study and supplying the information to HCD for clearance. The environmental review must be completed and approved prior to commitment of funds and construction commencing. If an identified environmental condition cannot be cleared, the activity may be deemed ineligible for funding. For more information please see:

<https://www.hudexchange.info/programs/environmental-review/>.

### **Adoption of Another Federal Agency's Environmental Review.**

Recipients of CDBG-DR funds that supplement other Federal assistance may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, so long as the actions covered by the existing environmental review, approval, or permit and the actions proposed for the CDBG-DR supplemental funds are substantially the same. Such adoption must satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit.

Activities originally funded by another agency that are later supplemented with CDBG-DR do not have to supplement the other agency's environmental review with any HUD environmental requirements that differ from the originating agency. However, if the activity is modified so the other agency's environmental review no longer covers the activity, the grantee is required to reevaluate and supplement the other agency's environmental review to comply with all applicable HUD environmental regulations in 24 CFR Part

58. The grantee's environmental review obligations are considered complete when adopting another agency's environmental review as outlined in this section. To be adequate:

The grantee must obtain a completed electronic or paper copy of the Federal agency's review and retain a copy of the full file in its environmental review record.

The grantee must review the scope of work completed by the Federal agency's review and verify that the scope of work is substantially the same with a memo to file in its environmental review record.

The grantee must notify HUD on the Request for Release of Funds/Certification (RROF HUD-Form 7015.15) (or the state, if the state is acting as HUD under 24 CFR §58.18) that another agency review is being used. The grantee must include the name of the other Federal agency, the name of the activity, and the date of the activity's review as prepared by the other Federal agency.

When permitted by the applicable appropriations act, and notwithstanding 42 USC § 5304(g)(2), the Secretary or a state may, upon receipt of a RROF and Certification, immediately approve the release of funds for an activity assisted with CDBG-DR funds if the recipient has adopted an environmental review, approval, or permit under this section, or if the activity is categorically excluded, see 42 USC § 4336(a)(2).

## **7 Insurance and Property Management**

For all activities in the Program, per [2 CFR § 200.310](#), all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the Property owner is responsible for ensuring per [2 CFR § 200.311](#) that:

- The Property continues to be used for its intended (and approved) purpose;
- The Subrecipient or Contractor keeps track of, and takes care of, the Property; and

- If the Subrecipient sells or disposes of the Property during the contract period, the Subrecipient or Contractor reimburses HCD for the share of the Property's value according to the agreement.

## 8 Citizen Participation Requirements

The City has engaged in a robust community engagement strategy to establish a means by which residents of the City, public agencies, and other interested parties can actively participate in the implementation and assessment of documents related to CDBG-DR24 Storms activities and reflects the alternative requirements as specified by the Universal Notice 90 FR 1754 and Federal Register Notice 90 FR 4759 and is implemented according to federal regulations (HUD Regulations 24 CFR §91.105). HCD will adhere to the 2024 Citizen Participation Plan for Disaster Recovery to ensure effective communication to the City.

To inform Houstonians on the status of the local government's efforts to secure funding for its long-term recovery programs, the City will provide the following in evidence format:

- **Public Website<sup>4</sup>:** The City will maintain a public website that provides information accounting for how all grant funds are used, managed, and administered, including links to all disaster recovery action plans, action plan amendments, program policies and procedures, performance reports, citizen participation plan and requirements, and activity and program information described in the action plan, and details of contracts and ongoing procurement processes. These items are made available through <https://houstontx.gov/hcdrecovery/dr24/>.
- **Public Hearing and Comments:** Public hearings will be held at times and locations convenient to the public, with accommodation for persons with disabilities and appropriate auxiliary aids and services to ensure effective communication. The information about the public hearing is posted to the website and through other communication outlets (to include newspaper) and allows for a minimum of fourteen (14) days public comment period. In addition, virtual hearings are held to allow attendees to voice opinions and

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<sup>4</sup> The City's website will comply with Universal Notice 90 FR 1754. See Section III.B.8. "Public disaster recovery website."

concerns following the presentation in a public comment section and a question-and-answer section. A minimum of three (3) meetings are required for both in-person and virtual hearings.

The City will provide multiple methods of communication to provide applicants with timely information to determine the status of their application for assistance, including by phone, by mail, and in person. Written complaints from the public related to the Action Plan for Disaster Recovery – 2024 Storms (or its amendments), Quality Performance Report (QPRs), or the City’s activities or programs funded with CDBG-DR24, will receive careful consideration and will be answered in writing, or other effective methods of communication, within 15 business days, where practicable.

## **9 Conflicts of Interest**

The Program will establish safeguards to prohibit employees, officers, and agents from using their position for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

All Applicants are subject to federal requirements (24 CFR § 570.611 and 2 CFR § 200.318), City of Houston [Administrative Policy 2-22: Conflict of Interest](#), and HCD #01-40 Non-Procurement Conflict of Interest Policy that outlines the process for waivers.

**Procurement.** No employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or board member, any member of their immediate family, their partner, or an organization that 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 an entity considered for a contract. An employee, officer, agent, and board member of the recipient or Subrecipient or Contractor may neither solicit nor accept gratuities, favors, or anything of monetary value from Contractors.

**Non-Procurement.** No employee, officer, agent, elected or appointed official, or consultant of the City, of any designated public agency, or of any Subrecipient or Contractor, who exercises or has exercised any functions or responsibilities with respect to CDBG activities or is in a position to participate in a decision-making process or gain inside information

regarding CDBG-DR activities may obtain a financial interest in or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-DR assisted activity or proceeds thereof, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

HCD requires disclosure of any potential conflict of interest to the governing body of the locality, to the recipient's legal counsel, and as otherwise may be appropriate. Applicants must complete and sign a Conflict-of-Interest Disclosure before CDBG-DR funds are expended. Under penalty of perjury, this document requires the disclosure of immediate family members and those with whom the Applicant has business ties currently employed by the City of Houston or were employed by the City within the past year an employee, agent, consultant, officer, elected official or appointed official of the City, any designated public agencies (for example, a redevelopment authority or housing authority) receiving funds under 24 CFR Part 570 (i.e., CDBG or CDBG-DR funds).

**Note:** "Immediate family members," "immediate family," or "immediate family ties" means and includes (whether by blood, marriage, or adoption) a covered person's spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), aunt/uncle, niece/nephew, grandparent, grandchild, great grandparent, great-grandchild, and in-laws with the same titles.

The Conflict-of-Interest provisions at [2 CFR § 200.318\(c\)](#) require HCD staff to disclose any relationship with an Applicant, Vendor, or Contractor. HCD staff, sub-grantees, program administrators, vendors and Contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the Applicant, Vendor or the Contractor.

Furthermore, employees and/or family members of an entity performing work on behalf of HCD or the employees and/or family members of a direct Contractor to an entity performing work on behalf of HCD are not eligible to receive assistance under the Program. However, these individuals may be able to request a waiver as defined in the Conflicts of Interest Policy.

The Program requires compliance with all applicable conflict of interest provisions, including but not limited to federal, state, and local statutes, laws, regulations, ordinances, and other requirements, including but not limited to, the Texas Local Government Code Chapters 171, 176 and 553; Chapter 36, Sections 36.02 and 36.08 and Chapter 39, Section 39.02 of the Penal Code; Article VII, Section 4 of the City Charter; Chapter 14, Article II, Section 14-183, Chapter 15, Article III, Sections 15-1 (as amended by City Ordinance No. 2021-44), 15-55, & 15-56 and Chapter 18, Article I, Section 18-3 of the City's Code of Ordinances, and Executive Order 1-28.

## 10 Waivers

Any permissible waivers to the requirements in these Guidelines can only be approved by HCD and must be provided in writing. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

HCD will publish all Program Guidelines on the City's Disaster Recovery website at [www.recovery.houstontx.gov](http://www.recovery.houstontx.gov). All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by HCD will be posted for a minimum of (7) seven days for public comment and the latest versions available on the City's website.

As the Program matures, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by HCD. To request a waiver, HCD must submit a written request on HCD letterhead to HUD that includes the following:

1. The Guideline for which the waiver applies;
2. The requirement to be waived or altered;
3. Alternative requirement or language; and
4. Detailed statement of how the request is necessary to address unmet recovery needs.

**General Program Waiver Request.** A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from HCD is needed within thirty (30) days. The request

must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

Waivers of this category must be published for seven (7) days and public comment received and addressed before implementation.

**Emergency Waiver Request.** An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to HCD immediately and a response should be received from HCD within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that the City will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, HCD must notify the City (The Mayor's Office) via official letter of the necessary escalation to HUD and anticipated timing.

Additional requirements may be requested as required for submission depending on waiver type and category.

## 11 Cross-Cutting Federal Regulations<sup>5</sup>

HCD requires activities or programs selected for CDBG-DR funding to meet HUD cross-cutting federal regulations, but is not limited to the following:

- [National Environmental Policy Action of 1969-Environmental Review \(NEPA\) \(NEPA\)](#)
- [Fair Housing and Civil Rights](#)
- [Section 3 Final Rule Requirements](#)
- [Davis-Bacon and Labor Standards](#)
- [Duplication of Benefits](#)
- [Uniform Relocation Assistance \(URA\) the HUD Way](#)
- Other applicable federal regulations

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<sup>5</sup> See also, [Statute and Regulatory Compliance](#).

## Close Out & Management

The Public Facilities Division will coordinate all required file documentation with Subrecipients and Contractors necessary for verification of completion of construction to program requirements and submit for approval of completion and closeout and proper record keeping. In accordance with HCD approved Program Standard Operating Procedures, HCD assigned Program staff will ensure compliance with program construction requirements and record retention period.

### 1 Reporting

The Reporting provisions at [2 CFR § 200.329\(b\)](#) require non-federal entities to relate the Program performance of the federal CDBG-DR funds used in HUD programs. As a recipient of federal CDBG-DR funds, HCD has established its own reporting requirements per these provisions, as applicable:

- At execution of agreements;
- Monthly<sup>6</sup>;
- Quarterly;
- Annually; and/or
- As required.

**Note:** Additional information on compliance requirements, the rights of Applicants, steps for complaints and/or appeals, etc. are also available on the City's website.

### 2 Disaster Recovery Grant Reporting (DRGR) System

HCD will track progress, compliance, and maintain all records of performance accomplishments in the DRGR system for all grant-funded activities throughout the grant lifecycle and to facilitate the draw of CDBG-DR funds. Performance reports (commonly referred to as the quarterly performance report (QPR) must be submitted on a quarterly basis until (1)

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<sup>6</sup> The City has implemented the specific condition under 2 CFR § 200.208(c)(1) (requiring payments as reimbursements rather than as advance payments). Accordingly, pursuant to the exception under 2 CFR § 200.329(b) the City collects performance reports more frequently than quarterly.

all funds have been expended and (2) HCD has reported on accomplishments and submitted all required materials for closeout.

Infrastructure activities will be monitored to include, yet is not limited to, the following:

- Activity Type;
- National Objective;
- Responsible Entity;
- Budgets;
- Activity Start/End Dates; and
- Census or Survey Data (LMI persons).

### **3 Record Management and Reporting**

In accordance with HUD regulations, HCD will follow CDBG-DR recordkeeping requirements of 24 CFR §570.506 or 24 CFR §570.490, as amended by the Universal Notice waivers and alternative requirements, which includes establishing and maintaining records, record retention, and all other pertinent records.

The HCD Records Management section assists with ensuring that:

- HCD complies with all requirements concerning records and records management practices under federal and state statutes and regulations;
- HCD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- Stored for as long as they are required.

**Retention.** in accordance with [2 CFR § 200.334](#), record retention is a requirement of the Program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD.

The City and its Subrecipients or Contractors of CDBG-DR funds must follow the records retention requirements cited in 2 CFR § 200 which includes financial records, supporting documents, statistical records and all

other pertinent records. The Program will also adhere to HCD Subrecipient Records Retention Policy #03-01 regarding the appropriate retention of records and as described in 2 CFR § 200.334.

The Program also establishes recordkeeping and retention requirements in its Subrecipient and Contractor agreements in accordance with the guidelines stated in [24 CFR § 570.503\(b\)\(2\)](#).

All official records on programs and activities must be maintained for the greater of three (3) years beyond the closing of the grant between the City and HUD. Applicant records may be maintained electronically.

The HCD Records Management Team seeks to ensure that:

- HCD complies with all requirements concerning records and records management practices under federal and state statutes and regulations;
- HCD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- These records are managed efficiently and can be easily accessed and used for as long as they are required.
- Records must be retained for the greater of three years from closeout of the grant to the state, or the period required by other applicable laws and regulations as described in 24 CFR §§570.487 - 570.488.
- These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules, and HUD Handbook 2228.2.

**Access to Records (State of Texas-City).** [24 CFR § 570.490](#), Recordkeeping requirements and [2 CFR 200, Subpart D](#), Record retention and access to records.

Representatives of HUD, the Inspector General, and the General Accounting Office must 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 such reviews and audits.

The State must provide citizens with reasonable access to records regarding the past use of CDBG-DR funds and ensure that units of general local government 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.

The availability of records is subject to the exceptions to public disclosure outlined in Chapter 552 of the Texas Public Information Act, of the Texas Government Code (“TPIA”). Requests under the TPIA must be made in writing to the Public Information Officer and will be processed per the procedures outlined in the TPIA and applicable City policies, such as Administrative Procedure 2-9, guidelines for responding to requests for public information.

#### **4 Subrecipient Monitoring**

Following activity completion, the activity will be monitored by the Subrecipient Monitoring Section within the Compliance and Grant Administration (CGA) Division for compliance requirements as outlined in the Subrecipient Monitoring Section Standard Operating Procedures #08-25. All non-Subrecipient contract compliance requirements will be monitored by the Public Facilities Division as outlined in the Public Facilities Quality Assurance and Compliance Monitoring Standard Operating Procedures #09-04, when practicable.

HCD will also conduct duplication of benefits reviews at:

- Initial award determination;
- Agreement execution or amendment;
- Grant closeout; and
- In certain cases, post-construction monitoring.

For non-City-owned facilities, HCD may verify DOB compliance annually for up to three (3) years following construction completion.

All Subrecipients or Contractors must retain DOB-related documentation in accordance with their grant agreement.

HCDD must approve an [ADA](#) accessibility inspector to conduct an inspection of the property to ensure compliance with [ADA regulations and](#)

**standards.** The Subrecipient or Contractor, on behalf of the General Contractor, must submit a Certificate of Completion for the activity received from the City of Houston.

The Subrecipient or Contractor must also submit the final lien release on behalf of the General Contractor to HCD to verify that all subcontractors have been paid.

To prepare the final Draw Request, the HCD will ensure all required documentation is included in the draw request packet.

## **Grievance Redressability**

### **1 Fraud, Waste, And Abuse**

The Program is subject to, and will follow, HCD Policy# 01-26 Fraud Waste, and Abuse and HCD SOP #0-08: Public Facilities Fraud, Waste, and Abuse. Anyone with information regarding known or suspected misappropriation of CDBG-DR funds or resources is encouraged to report the information to the City by sending an electronic report via email to the following email address: [housingfraud@houstontx.gov](mailto:housingfraud@houstontx.gov).

**Note:** Title 18, section 1001 of the U.S. Code states Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, will be fined under this title or imprisoned not more than five years, or both.

The Program is subject to, and will follow, HCD Policy# 01-26: Fraud Waste, and Abuse and HCD SOP# 09-08: Public Facilities Fraud, Waste and Abuse. Anyone with information regarding known or suspected misappropriation of CDBG-DR funds or resources is encouraged to report the information to the City by sending an electronic report via email to the following email address: [housingfraud@houstontx.gov](mailto:housingfraud@houstontx.gov).

The City constituents, employees, and Contractors may report suspected fraud, waste, or abuse. The following outlines the designated reporting

channels and procedural requirements for reporting Fraud, Waste, and Abuse to the appropriate oversight agencies.

- Reports to the Allegations Coordinator must be submitted to [housingfraud@houstontx.gov](mailto:housingfraud@houstontx.gov).
- Reports to HUD OIG must be submitted to their telephone hotline at 1-800-347-3735 or online at [Hotline Form | Office of Inspector General, Department of Housing and Urban Development \(hudoig.gov\)](#).
- Reports to City OIG must be submitted to their telephone hotline at 832-394-5100 or online at the [Office of Inspector General \(houstontx.gov\)](#).

All suspected cases of fraud will be taken seriously, and complaints will be reported to the appropriate City and HUD Office of Inspector General (OIG) in accordance with 2 CFR § 200.113.

## 2 Complaints

HCD welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within 15 business days, as practicable.

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<b>Address</b>	<b>City of Houston HCD</b> <b>ATTN: Complaints and Appeals</b> 2100 Travis Street, 9 <sup>th</sup> Floor Houston, TX 77002
<b>Phone</b>	832-394-6200 ext. 1
<b>Email</b>	<a href="mailto:HCDDComplaintsAppeal@houstontx.gov">HCDDComplaintsAppeal@houstontx.gov</a>
<b>Hours</b>	Monday – Friday, 8:00 AM – 5:00 PM

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For more information, please refer to the HCD website, [www.houstontx.gov/housing/complaints.html](http://www.houstontx.gov/housing/complaints.html).

### 3 Appeals

**Right to Appeal.** All Program Applicants have the right to appeal a determination made by HCD. Applicants have the right to appeal decisions made on their Program file based on the following reasons:

- Denied services through any of HCD's programs
- Program eligibility determination
- Program award calculation
- Procedural error where the application was not processed by Program staff in accordance with the Program guidelines.
- Affirmatively Furthering Fair Housing

**Appeal Requests.** Appeal requests are accepted in writing via email at [HCDDComplaintsAppeal@houstontx.gov](mailto:HCDDComplaintsAppeal@houstontx.gov), mailed or delivered letter, online Appeal Request form, or using the paper form at the HCD office.

Appeal Requests must be submitted within 30 calendar days of the notice of determination. To be considered complete, an appeal request must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Application number (if applicable)
- Email Address
- Reason for Appeal (consistent with the reasons listed above)

**Appeal Review.** Tier 1 Appeals are the initial determination appeals, in which the program area will review all documentation submitted and either reiterate the initial determination or approve your appeal and overturn the determination. Appeals will be responded to in writing within 30 calendar days. When a Program Applicant does not agree with the decision made in the initial appeal, Program Applicants have the right to request a Tier 2 Appeal. If the request is approved, the Appeals Review Committee (ARC) will review all documentation and the supporting documents you send to support your appeal and make a final decision.

The appellant may only escalate the appeal after the completion of the initial program area process. The ARC will process the escalated appeal within 30 days, as practicable. The ARC will transmit its decision to the appellant in writing.

**Note:** The appellant may only escalate an appeal after completing the preceding Appeal. Additionally, the reason for the Tier 2 appeal must be for the same reason for the Tier 1 Appeal.

HCD will keep a record of each appeal that it receives and include all communications and their resolutions. For more information regarding HCD's Appeal Process, please visit [www.houston.tx.gov/housing/appeals.html](http://www.houston.tx.gov/housing/appeals.html).

## **Statutory and Regulatory Compliance**

The City, Contractors, and Subrecipients must comply with the statutes and regulations below.

### **1 The Federal Privacy Act of 1974, as Amended<sup>7</sup>**

The Federal Privacy Act of 1974, as amended, provides for confidentiality and the restriction of disclosing confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The data collected from Applicants for HCD programs and services may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with Program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the City to perform a financial or programmatic audit of the Program, may use personal information in determining Program compliance with all applicable HUD and

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<sup>7</sup> The Federal Privacy Act of 1974, as Amended (5 USC § 552a, 2 CFR 200.303(e))

federal regulations, including the Stafford Act, HUD program requirements, and State and local law.

- HCD may disclose personal information on an Applicant to those with official Power of Attorney for the Applicant or for whom the Applicant has provided written consent to do so, or as permitted pursuant to 5 USC § 552a(b)(1974).
- Organizations assisting HCD in executing the Programs must comply with all federal and state law enforcement and auditing requests, including, but not limited to, requests from HUD, FEMA, FBI, GLO, Office of the State and City Comptroller, and the Office of Inspector Generals.

Per HCD Personally Identifiable Policy #01-41, HCDD is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the Program. The HCD policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

## **2 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform Act) (Pub. L. No. 104-193, 110 Stat 2105) (codified as amended in scattered sections of Titles 7, 8, 21, and 42 USC.) (PRWORA) prohibits the use of CDBG-DR funds in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation. Subject to the exceptions provided by the PRWORA, the recipient must use Systematic Alien Verification for Entitlements (SAVE) program, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

## **3 Davis-Bacon Labor Standards**

Under [Section 110\(a\) of the Housing and Community Development Act of 1974 \(HCDA\)](#), laborers and mechanics employed on construction work “financed in whole or in part” with CDBG-DR assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with the Davis-Bacon

Act (40 U.S.C. §§ 3141-3148) and its implementing regulations at 29 CFR Parts 1, 3, 5, and 6.

#### **4 Equal Employment Opportunity**

Title VII of the Civil Rights Act of 1964 (i) prohibits the City and private employes with 15 or more employees, including Subrecipients, Contractors and their subcontractors from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin; and (ii) requires employers to take proactive steps to ensure that equal opportunity is provided in all aspects of employment. This statute is adhered to within HCD programs.

Anyone who feels that their Equal Employment Opportunity rights have been violated can contact any or all of the following enforcement authorities:

##### **City of Houston Office of Inspector General**

900 Bagby St., 4th Floor  
Houston, TX 77002  
OIG Hotline: (832) 394-5100  
[OIG Complaint Form](#)

##### **U.S. Equal Employment Opportunity Commission**

Mickey Leland Building  
1919 Smith St., 6th Floor Houston, TX 77002  
Phone: 1 (800) 669-4000  
TTY: 1 (800) 669-6820  
ASL Video Phone: (844) 234-5122  
[EEOC Public Portal](#)

#### **5 Fair Labor Standards Act**

The amended Fair Labor Standards Act of 1938 (FLSA) establishes the basic minimum wage and requires the payment of overtime, for certain employees. Overtime payments must be at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of forty per work week. These standards are applicable to all activities funded by this Program.

#### **6 Minority- and/or Woman-Owned Business Enterprises**

The City is committed to providing Minority and Women Business Enterprises (M/WBE) a full and fair opportunity to compete for and participate in City contracts. Contractors must comply with Chapter 15, Article V of the City of Houston Code of Ordinances and the Office of Business Opportunity (OBO) Policies and Procedures.

Contractors must make good faith efforts to award at least 0% of the contract value to certified M/WBEs. Certified MBE or WBE Contractors may count eligible self-performance toward the goal. By executing the Agreement, the Contractor acknowledges review of and compliance with OBO's good faith effort requirements.

For more information regarding Good Faith Efforts, visit: [https://www.houstontx.gov/obo/good\\_faith\\_efforts.html](https://www.houstontx.gov/obo/good_faith_efforts.html)

The City operates its own certification program through the [Office of Business Opportunity](#). Interested parties should refer to [HCDD's Contract Compliance Forms Packet](#) for more information.

For questions, please call HCD office at (832) 394-6200 or email HCD at [hcd-mwsbe@houstontx.gov](mailto:hcd-mwsbe@houstontx.gov).

### **7 Section 3**

Work performed under this contract is subject to the requirements of Section 3 of the HUD Act of 1968 ("Section 3"), Pub. L. No. 90-448 (codified as amended in scattered sections of 12 and 42 of the U.S.C. . The City complies with Section 3 requirements to ensure that employment and other economic opportunities generated by HUD assistance—or HUD-assisted developments covered under Section 3—are directed to the "greatest extent feasible", to low- and very low-income persons. This, includes persons receiving HUD housing assistance, with a preference for targeted workers living in the service area or neighborhood of the Development, as well as Youth Build Participants, as defined at [24 CFR Part 75](#) ("Section 3 Regulations").

### **8 Pay or Play**

Subrecipients and Contractors must comply with the City's Pay or Play Program, as set out in [Executive Order No. 1-7](#). Subrecipients and Contractors should demonstrate that they have the willingness and ability

to comply with the City's Pay or Play Program. The POP Program is applicable to:

- (a) Contracts for services in which the total expenditure by the City, including contingencies, amendments, supplemental terms and/or change orders, equals or exceeds \$100,000.
- (b) Subcontracts for services in which the total value of the subcontract, including contingencies, amendments, supplemental terms and/or change orders, equals or exceeds \$200,000. The Contractor is responsible to the City for compliance of covered employees of covered subcontractors.

## **5 Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and protects equal opportunity for persons with disabilities in employment, state and local government services, public accommodations, commercial facilities, and transportation. It also mandates the use of telecommunications devices for the deaf (TDD) relay services. HCD takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by HCD. Any services offered by HCD are delivered in the most integrated manner possible with services for persons without disabilities.

HCD takes the requirements of ADA seriously and requires that Subrecipients, vendors, Contractors, and developers adhere to the requirements of ADA to the fullest legal extent.

Applicants who believe they may have been discriminated against can file a complaint with the U.S. Department of Housing and Urban Development at the following link:

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/online-complaint](https://www.hud.gov/program_offices/fair_housing_equal_opp/online-complaint).

Complainants can also file a complaint with HCD. Please see [Complaints](#) for information on how to file a complaint or appeal with HCD.

## **6 Limited English Proficiency (LEP)**

Title VI of the Civil Rights Act of 1964 requires and the City, including all satellite offices, programs, Subrecipients, Contractors, subcontractors, and/or developers funded in whole or in part with federal CDBG-DR funds, to ensure fair and meaningful access to programs and services for families

and individuals with Limited English Proficiency (LEP) and/or hearing impairment.

HCD ensures fair access through the implementation of a Language Assistance Plan (LAP), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

Federal law prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 USC § 2000d—2000d-7), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent directives, circulars, policies, memoranda, and/or guidance documents. The Supreme Court has held “national origin” to include individuals who, because of national origin, have Limited English Proficiency (“LEP”) (Lau v. Nichols, 414 U.S. 563 (1974)). Denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, the City will initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the City’s programs, services, and activities.

## **7 Financial Management**

The City of Houston, as a CDBG-DR recipient, is required to follow the financial administration requirements outlined in 2 CFR Part 200 and 24 CFR Part 570. These standards help ensure that the financial systems are put in place by the City:

- Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant;
- Document that CDBG-DR funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded activities meet a National Objective;

- Maintain accounting records that show the sources and uses of CDBG-DR funds, displaying CDBG-DR funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
- Establish effective internal controls over all cash, real and personal property, and other assets acquired with program CDBG-DR funds;
- Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
- Use Uniform Administrative Requirements outlined in 2 CFR § 200 principles—per subpart E per 24 CFR 570.200(a)(5)—to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
- Maintain source documentation for accounting records;  
Implement procedures for cash management that permit the timely disbursement to Contractors and Subrecipients and complete and accurate monitoring and reporting; and
- Comply with [2 CFR § 200 subpart F](#).

**Finance Department.** The Strategic Procurement Division (SPD) is housed within the City of Houston’s Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.

**The City Controller.** The Office of the City Controller certifies the availability of CDBG-DR funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City’s CDBG-DR funds, conducts internal audits of the City’s departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances – Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to Contractors and Subrecipients. HCD is the grant manager for Houston’s 2024 Derecho and Hurricane Beryl CDBG DR allocation and is responsible for administering all programs outlined in the City’s Local Action Plan.

**Public Facilities Division.** This division is responsible for Program development and oversight.

**Finance Division.** The HCD Finance division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD’s Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to HUD to be realized in the City’s budget.

**Planning and Grant Reporting Division.** The HCD Planning and Grants Reporting division is responsible for the City’s CDBG-DR24 Local Action Plan, Local Needs Assessment, program applications, other related planning documents, substantial amendments, activity budget set-up and completion in IDIS and DRGR and related reporting to HUD. The Planning and Grants Reporting division is responsible for tracking timeliness of grant fund expenditures and monitoring actual expenditures and outcomes against the projections developed by the Program.

**Program Income.** This Program is not designed to generate program income. HCD does not intend to implement any programs or activities that generate income as described in [90 FR 1754](#). However, if any CDBG-DR activities generate income before or after close-out of the grant, HCD will retain program income to fund additional CDBG-DR activities or to fund the repair, operation, or maintenance of existing CDBG-DR activities. HCD will comply with all HUD requirements and the program income waiver and alternative requirement in [90 FR 1754](#) and subsequent notices, including tracking program income in the Disaster Recovery Grants Reporting (DRGR) system and using program income before drawing additional grant CDBG-DR funds. Specifically, the City will adhere to the program income policies and procedures as stated in the City’s financial certifications.

## **8 Audit Requirements**

This Program is subject to audit at the federal and local level. The U.S. Department of Housing and Urban Development (HUD), HUD’s Office of Inspector General, the U.S. Government Accountability Office (GAO), and the City of Houston’s Finance Department (typically via a contracted third party) all have the authority to audit this Program. All auditors are independent of HCD and report either to their respective authorities at the federal level or to the Mayor of Houston.

In accordance with [2 CFR § 200.501\(a\)](#), non-federal entities that expend \$1,000,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year. HCD is responsible

for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCD-provided federal CDBG-DR funds.

## **9 Suspension & Debarment**

HCD will comply with Suspension and Debarment Executive Order [12549](#) and [12689](#) that prohibits an entity that has been debarred, suspended, or otherwise excluded or deemed ineligible from participating in federal programs or activities. Any entity seeking federal CDBG-DR funds received by HCD will undergo a debarment verification. Entities that are determined to be debarred, suspended, or otherwise excluded will not be eligible to receive federal CDBG-DR funds from HCD in accordance with the Executive Orders, [2 CFR Part 180](#) (OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Non-procurement)), [2 CFR Part 2424](#) (Non-procurement Debarment and Suspension), and the HCD Debarment Verification Policy and Procedure #01-14.

## **14 Asbestos**

All programs and activities must consider potential asbestos in Property and mitigate and/or remove where needed per applicable federal, state, and local requirements.

## **Document Control**

While this document serves as the primary guide for administering this program, it is governed by the Grant Agreement, applicable federal, state, and local laws, statutes, ordinances, policies, and requirements. HCD makes every effort to update this document to reflect any changes in those higher-level (“upstream”) requirements. However, if a conflict arises between this document and an upstream authority, the upstream document will take precedence. Examples of upstream documents include, but are not limited to:

- The Grant Agreement between HUD and the City;
- The Stafford Act and its implementing regulations as interpreted by HUD, FEMA, or other controlling federal agencies, unless a waiver or alternative requirement is issued by the applicable federal agency;
- Pub. L. 118-158;
- 90 FR 1754, as amended and updated;

- 90 FR 4759, as amended and updated;
- Applicable laws, statutes, and requirements set by the federal government or the State of Texas;
- Relevant notices from the U.S. Department of Housing and Urban Development published in the Federal Register;
- City of Houston Code of Ordinances;
- Mayoral Policies and Procedures, such as:
  - Mayor’s Policies;
  - Executive Orders;
- Administrative Policies; and
- City of Houston’s Action Plan for 2024 Derecho and Hurricane Beryl.

In cases where the conflict concerns a requirement, the more stringent requirement controls unless otherwise determined by the Director of HCD to the extent of applicable laws and requirements.

## **Amendments**

As the DR-24 Neighborhood Facilities Power Generation Resilience Program Guidelines mature, HCD may request waivers and alternative requirements to the guidelines. Per Ordinance No. 2005-1395, as amended by Ordinance No. 2018-121, and the latest HCD Policy #01-01: Governing Documents, the guidelines may be amended either administratively or by vote of the Houston City Council or committee thereof, as applicable.

HCD will publish all amendments to Program Guidelines on the City’s Disaster Recovery website at [www.recovery.houstontx.gov](http://www.recovery.houstontx.gov). All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by HCD will be posted for a minimum of seven days for public comment and the latest versions available on the City’s website.

## **Change Log**

### **1.0 - Adopted XX/XX/XXXX**

- Original Version

## Term Definitions

**0.2-percent-annual-chance (500-year) floodplain** – The area, including the base flood elevation, subject to inundation from a flood having a 0.2 percent (0.2%) chance or greater of being equaled or exceeded in any given year per [24 CFR § 55.8\(b\)](#).

**1-percent-annual-chance (100-year) floodplain** – The area subject to inundation from a flood having a one percent (1.0%) or greater chance of being equaled or exceeded in any given year per [24 CFR § 55.8\(b\)](#).

**Action Plan** – The Community Development Block Grant-Disaster Recovery 2024 Action Plan is a written plan for Disaster Recovery submitted to the U.S. Department of Housing and Urban Development that provides the high-level strategy to carry out strategic and high-impact activities to minimize or eliminate risks and reduce losses from future disasters. The Action Plan outlines the needs of the community, budget priorities, local and federal resources, and proposed activities.

**AIA Document G702/G703** – Industry-standard documents developed by the American Institute of Architects (AIA) that Contractors submit to HCD to seek reimbursement for payment, also known as "application for payment" forms.

**Allocation Announcement Notice (AAN)** – Publication announcing the Community Development Block Grant-Disaster Recovery allocations for specific disasters and including waivers and alternative requirements specific to the Appropriations Act that allocated the funding for the 2023 and 2024 Storms, Federal Register Volume 90, Number 10.

**Applicant** – Any eligible entity that submits a response to the request for applications for potential funding through the Community Development Block Grant-Disaster Recovery Program.

**Authority of Use of Grant Funds (AUGF)** – Document to be used by the Responsible Entity, as defined in [24 CFR §58.2\(a\)\(7\)](#), when requesting the release of funds and the authority to use such funds for HUD programs identified by states that provide for the assumption of the environmental review responsibility by units of general local government and States.

**Award** – An approved instrument for funds, goods, services, or other assistance subject to terms agreed upon in an executed grant agreement,

cooperative agreement, or another legally binding contract, the cost-reimbursement contract under the Federal Acquisition Regulations that the City receives directly from an awarding agency.

**City** – The City of Houston, restricted to its incorporated areas.

**City Council** – The City Council is the legislative body that governs the City of Houston. Council is responsible for approving ordinances, resolutions, awarding contracts, and approving all City expenditures over \$100,000.

**Community Development Block Grant-Disaster Recovery (CDBG-DR)**

– The community Development Block Grant Disaster Recovery Program, administered by the U.S. Department of Housing and Urban Development, as authorized under Title I of the Housing and Community Development Act of 1974, as amended. These funds are provided as a last resort to help cities, counties, and states to recover from Presidentially declared disasters.

**Completion** – The date on which all the following conditions have been satisfied and which:

- The work has been completed to the satisfaction of the HCD Director, and the Subrecipient has delivered an AIA Affidavit of Completion signed by the Subrecipient, the Contractor, and the Architect to the City, in form and substance acceptable to the HCD Director.
- The City or the third-party Inspectors have conducted a Uniform Physical Conditions Standards Inspection, and all deficiencies have been remedied.
- The final Payment Request has been disbursed for the activity, except for funds held back as retainage.
- Delivery to HCD has been made to the City’s satisfaction, reflecting the full payment of, and executed final, unconditional lien waivers from (or the liens have been bonded around) all Contractors, subcontractors, and others concerning the construction of the Activity.
- Certificate of Completion (or their equivalent) have issued by all appropriate Governmental Authorities for all portions of the

improvements located at the facility/project and delivered to HCD, and the project is accessible to the public.

- The information necessary for the City to complete the Final Wage Compliance Report has been submitted by the Subrecipient and the City has completed and submitted the report to HUD.
- The project has been registered in HUD's Disaster Recovery and Grant Reporting (DRGR) system as complete.

**Conflict of Interest (COI)** – A situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. The term also includes any situation or matters that are defined as an actual or potential conflict of interest under the local, state, or federal law, policy, or regulation applicable to the conduct or program in which the situation or matter arises as cited in 2 CFR § 200.318(c) or [24 CFR §570.611](#).

**Contractor** – An entity competitively selected to provide clearly-specified goods, supplies, equipment, or construction, consulting or other services meeting the procurement requirements at 2 CFR Part 200 and other state and local laws, ordinances, and policies.

**Davis-Bacon & Related Acts (DBRA)** – Under [Section 110\(a\) of the Housing and Community Development Act of 1974 \(HCDA\)](#), laborers and mechanics employed by Contractors and subcontractors on construction work “financed in whole or in part” with CDBG assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with the Davis Bacon Act ([40 USC §§ 3141-3148](#)). In the following cases, Davis-Bacon prevailing wage requirements do not apply to construction work prime contracts of \$2,000 or less, bona fide volunteers where procedures and requirements of [24 CFR § 70](#) are met, force account work by employees of the Grantee, non-construction activities, demolition that is not followed by construction, or to the rehabilitation, reconstruction, and demolition of residential property containing fewer than eight units. The federal register notice does not waive DBRA. Designated staff will enforce the Federal Labor Standard Provisions ([HUD-4010](#)) and ensure they are incorporated into the required documents.

**Debarment** – An action taken to exclude an entity from receiving funds

from the federal government, state government, local government, or all<sup>8</sup>. See HCD Debarment Verification Policy and Procedure #01-14.

**Disaster Recovery Grant Reporting System (DRGR)** – HUD’s system is used by CDBG-DR and CDBG-MIT grantees to draw down funds and report program income. Once an Action Plan is approved and the program is launched, grantees begin submitting Quarterly Performance Reports (QPRs), which contain information about the uses of funds, activity types, demographics of households benefitted, budgets, and locations of activities. QPRs are submitted via DRGR, and the data can then be used by HUD staff to review funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.

**Duplication of Benefits (DOB)** – Any assistance received for the same disaster recovery purpose as the CDBG-DR24 funds were or would be provided.

**Eligibility** – The fact of being allowed to do or receive something because you satisfy certain conditions.

**Entity** – An individual or business including, but not limited to prime contractors, organizations or agencies, Subrecipients, sole proprietors, general partners, investors, brokers, management agencies, partnerships, etc. that seeks to do business with HCD, has a financial interest in the transaction and/or affiliation with an entity seeking to do business with HCD.

**Environmental Review** – All qualified projects must undergo an environmental review. This process ensures that the activities comply with the [National Environmental Policy Act \(NEPA\)](#) and other applicable state and federal laws.

**Event** – The Presidentially declared Derecho (May 16-17, 2024) and Hurricane Beryl (July 5-9, 2024), and subsequent flooding, disaster event.

**Federal Flood Risk Management Standard (FFRMS) floodplain** – The floodplain as defined by Executive Order 13690 and the Guidelines for

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<sup>8</sup> [2 CFR §180.925](#) Debarment.

Implementing Executive Order 11988, Floodplain Management, and Executive Order 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input and further described as applied to HUD-assisted activities by [24 CFR § 55.7](#).

**Federal Register (FR)** – The official daily publication for rules, proposed rules, and notices of Federal agencies and organizations, as well as executive orders and other presidential documents, published by the [Office of the Federal Register, National Archives and Records Administration \(NARA\)](#).

**FEMA** – Federal Emergency Management Agency.

**Floodplain** – Any land area that FEMA has determined has at least a one percent (1.0%) chance in any given year of being inundated by floodwaters from any source. This also includes areas with a 0.2% chance of flooding where applicable, as per the HUD flood rule requiring evaluation of the entire floodplain, under the [Federal Flood Risk Management Standard \(FFRMS\)](#).

**Floodway** – The portion of the floodplain that is effective in carrying flow, where the flood hazard is generally the greatest, and where water depths and velocities are the highest. The term “floodway” as used here is consistent with “regulatory floodways” as identified by FEMA. (See [24 CFR § 55.8\(b\)](#) for appropriate data sources).

**Grant Agreement** – Contract between the City of Houston and HUD for the grant of CDBG-DR24 funds to the City.

**HCD** – The City of Houston’s Housing and Community Development Department.

**Household** – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

**Housing and Affordability Committee (HAC)** – A group of City of Houston Council Members appointed by the Mayor, who completes a preliminary

review of proposals before projects are presented to City Council for approval.

**Housing and Community Development Act (HCDA) of 1974** – Established the program of Community Development Block Grant (CDBG) to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

**Infrastructure** – Activities such as repair, replacement, or relocation, of damaged public facilities and improvements including, but not limited to, water and sewer facilities, streets, provision of generators, removal of debris, bridges, flood control, and drainage repair and improvements through the construction or rehabilitation of stormwater management systems, natural or green infrastructure.

**Letter of Agreement (LOA)** – A legal instrument used to define a funding relationship between the Department and another City department (such as Public Works or General Services Department).

**Low Moderate Area Benefit (LMA)** – The most used national objective for activities that benefit a residential neighborhood. An area benefit activity benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons. An area benefit must include all, and only those, households who are reasonably served or would be reasonably served by the activity.

**Low Moderate Income (LMI) Households** – A household whose annual income does not exceed 80 percent of the area median income:

- Extremely Low: Household’s annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size.
- Low: Household’s annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size.
- Moderate: Household’s annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

**Low Moderate Income (LMI) National Objective** – Requires that Community Development Block Grant (CDBG) funded activities benefit low- and moderate-income persons by providing permanent residential

structures to them (housing), creating or retaining jobs for them, or serving a residential area where at least 51 percent of residents are LMI.

**Major Disaster** – Any natural catastrophe (hurricane, tornado, storm high water, wind-driven water, tidal wave, tsunami, seiche, earthquake, volcanic eruption, landslide, mudslide, snowstorm, fire, or drought) or, regardless of cause, any fire, flood, or explosion in any part of the United States which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused by the disaster.

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

**Minority, Women, and Small Business Enterprise (MWSBE)** – The City of Houston program—administered by the Office of Business Opportunity and governed by Chapter 15, Article V of the City Code of Ordinances and applicable OBO policies and procedures—which stimulates the growth of local minority, women, and small business enterprises by encouraging the full participation of these businesses in various phases of city contracting by setting hiring goals on City contracts.

**Monitoring** – Overseeing of progress and compliance with all local and federal regulations for the duration of the project and record retention use period.

**Most Impacted and Distressed (MID) areas** – Areas of most impact as determined by the U.S. Department of Housing and Urban Development or the state using the best available data sources to calculate the amount of disaster damage.

**National Objective** – The criteria, identified by HUD, which must be met for an activity to be considered. The three national objectives are: 1) benefit low and moderate-income (LMI) persons; 2) aid in the prevention or elimination of slums or blight; and 3) meet a need having an urgency (referred to as urgent need).

**One Meeting** – The system used to submit items that must be presented to City Council for approval.

**Overall Benefit** – The City must certify that, in the aggregate, not less than 70 percent of the CDBG-DR funds received by the City will be used for activities that benefit LMI persons.

**Procurement** – Process used when the Department or City is purchasing goods or services for its own direct benefit, use, or administration. Procurement activities must comply with all applicable local, State, and federal requirements, including federal procurement standards governing Contractors and Subrecipients funded with CDBG-DR or other federal funds. For example, office equipment for administration or fleet cars for site visits must be procured because the Department is the entity that uses these goods.

**Project/Activity** – The specific work performed according to the corresponding activity indicated by the project name, location, scope of work, and estimated budget, e.g. the addition of generators at public facilities.

**Project Budget** – The total amount of authorized financial resources allocated for the specific purposes of the sponsored project for a specific period. The project budget is the primary financial document detailing the necessary funds for implementing the project and producing the deliverables.

**Fact Sheet** – Internal document detailing program history, data, and other key points regarding a project.

**Project Review Committee (PRC)** – A group of HCD staff designated by the HCD Director that serves as an internal review committee to evaluate and determine if proposed projects are viable for the department and can be placed on the agenda for HAC.

**Public Notice and Funding Determination Form (PNFDF)** – This form is routed through an internal process for environmental clearance, compliance, and URA requirements, public notice publication, funding set-up, and request for legal services for LOA, contract, and Subrecipient Agreement preparation.

**Recipient** – The government to which a grant is awarded, and which is accountable for using the funds provided. The recipient is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

**Record of Concurrence** – The department form used to route documents to applicable staff members to obtain signatures to approve documents attached to the concurrence.

**Reimbursement** – Method used to pay contracts following completion of specified work.

**Request for Proposal (RFP)** – A part of the procurement process through which the City seeks owners/developers and other borrowers to apply competitively for funds in the support of the recovery efforts.

**SAP (Systems, Applications, and Products)** – The financial management system used by the City and its departments to track budgets and spending.

**Section 3** – A federal requirement intended to foster local economic development, neighborhood economic improvement, and individual self-sufficiency for low-income persons and businesses. Section 3 hiring goals are identified in the grant agreement.

**Sources and Uses of Funds** – A document showing the total costs of a proposed project, broken down to show how funds will be used (hard costs, soft costs, acquisition, etc.) and comparing it to providers of funds for the project (such as a bank loans owner equity, or an HCD request).

**Subrecipient** – An entity that carries out an award (in part or whole) on behalf of the City to achieve a public purpose. The following are characteristics that support an entity’s classification as a Subrecipient<sup>9</sup>: (a) determines who is eligible to receive what assistance; (b) has its performance measured with the objectives of a program (usually contained in the Subrecipient Agreement); (c) has responsibility for programmatic decision-making; (d) is responsible for adherence to applicable program requirements in the Subrecipient Agreement; and (e) in accordance with its agreement,

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<sup>9</sup> See 2 CFR § 200.331.

uses the funds to carry out a program for a public purpose specified in authorizing statute, opposed to providing goods or services for the benefit of the City. Subrecipients can be a commonwealth agency, local government, private nonprofit organization, or Native American Tribe.

**System for Awards Management (SAM.GOV)** – A federal government-owned and operated free website that contains the names of entities registered to do business with the federal government. The system also contains information on entities debarred by the federal government.

**Total Assistance** – The total amount of CDBG-DR assistance for which the project is eligible under the Program.

**Total Need** – The amount of the total cost to restore the property to a safe, decent, and sanitary condition, before subtracting any other assistance the household has received or will receive.

**U.S. Department of Housing and Urban Development (HUD)** – The principal federal agency responsible for programs concerned with the nation’s housing needs, fair housing opportunities, and improvements and development of the nation’s communities.

**Universal Notice** – The U.S. Department of Housing and Urban Development’s CDBG-DR Universal Notice, Federal Register Vol. 90, No.5, as amended. The Universal Notice governs all Office of Long-Term Resiliency CDBG-DR grants allocated after the applicability date of January 13, 2025. This Universal Notice outlines the requirements for CDBG-DR funding after a qualifying presidential disaster declaration and explains the steps, timelines, and any exceptions that will guide the use of these funds for disaster recovery. The Universal Notice includes waivers and alternative requirements, relevant regulatory requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities.

**Unmet Need** – The remaining need for assistance that persists after all other available sources of funding—such as private insurance, FEMA assistance, SBA loans, and other federal, state, local, or nonprofit resources—have been applied.

**Urgent Need National Objective** – An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent;

and the applicant cannot finance the activities on its own because other funding sources are not available. The City must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR §570.208(c).

**Waiver** – A revision to the standard CDBG-DR regulations, requirements, and activities, granted by the U.S. Department of Housing and Urban Development.

## References

- [90 FR 4759: Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice \(UN AAN\)](#)
- [90 FR 1754: Community Development Block Grant Disaster Recovery Universal Notice: Waivers and Alternative Requirements \(the “Universal Notice”\)](#)
- [12 USC § 1701u: Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992](#)
- [42 USC § 5305\(a\)\(2\): Activities Eligible for Assistance](#)
- [2 CFR § 200.112: General Federal Conflict of Interest Requirements](#)
- [24 CFR § 570.201\(c\): Eligible Activities](#)
- [ADA regulations and standards](#)
- [Disaster Relief Act of 1974 \(PL 93-288\)](#)
- [Robert T. Stafford Disaster Relief and Emergency Assistance Act \(PL 101-707\), as amended, and Related Authorities](#)
- [HUD Revised Policy for Duplication of Benefits May 2024](#)
- [City of Houston, Texas, Ordinance No. 2025 – 663 approving the submission of the Action Plan for CDBG – DR24](#)
- [Administrative Policy 2-22: Conflict of Interest Policy](#)
- [Executive Order 1-7](#)
- [HCD Policy #21-46A: Public Notices Policy and Standard Operating Procedures](#)
- [HCD SOP #21-31A: Project Notice and Funding Determination Form \(PNFDF\) SOP](#)
- [HCD Policy #01-27: Subaward and Procurement Policy](#)
- [HCD SOP #01-14: Debarment Verification Policy and Standard Operating Procedures](#)
- [HCD Policy #01-49B: CDBG-DR24 Duplication of Benefits Policy](#)
- [HCD Policy #01-40: Non-Procurement Conflict of Interest Policy](#)

Neighborhood Facilities Power Generation Resilience Program Guidelines

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- HCD Policy #05-19: Establishing Internal Orders for Project or Activity Delivery Policy
- HCD Policy #02-19: Area National Objective Eligibility Policy and Procedure