



Housing Authority Grants Program

Implementation Guidebook

Section 1 - Authority

The State of Mississippi received a series of allocations of Community Development Block Grant–Disaster Recovery (“CDBG-DR”) funding made available through the Disaster Relief Supplemental Appropriations Act, 2022 (Pub. L. 117-43) to support long-term disaster recovery needs following Hurricane Zeta (“Zeta”), Disaster No. 4576. The U.S. Department of Housing and Urban Development (“HUD”) determined the amounts of the allocations and designated the “most impacted and distressed” (“MID”) locations within the state for the expenditure of the funds. On February 3, 2022, HUD released its initial Hurricane Zeta allocation of \$28,470,000, designating Harrison County, Mississippi as the MID. A subsequent Zeta allocation of \$8,214,000 was made on May 24, 2022, adding “ZIP Code 39563” in Jackson County as the MID along with the existing MID designation of Harrison County.

This document serves to provide guidance, policies, and procedures for Public Housing Authorities to apply and expend funds under the Housing Authority Grants Program. A total of \$4,654,918.00 (Four Million Six Hundred Fifty-Four Thousand Nine Hundred Eighteen Dollars) has been approved for grants to Biloxi Housing Authority and Region VIII Housing Authority in Harrison County. The purpose of the HAGP is to provide grants to housing authorities for the following purposes: a) to cover gaps between insurance reimbursements for damages and actual repair costs; b) to harden structures against future storm damages and protect residents in the most vulnerable locations; and c) to assist in the relocation of structures to better support the continued functioning of a housing authority during and after a storm. The Mississippi Development Authority-Disaster Recovery Division (MDA-DRD) has been designated as the funding agency.

Section 2 - Overview

MDA-DRD is administering the Housing Authority Grants Program (HAGP). The HAGP is designed to fund projects for the two housing authorities in the MID (Harrison County)—Biloxi Housing Authority (BHA) and Region VIII.

Section 3 - Funding Title

BHA and Region VIII may apply to MDA-DRD for HAGP grants for insurance gap funding, hardening of structures to protect residents from future storm damage, and to assist in the relocation of structures.

Section 4 - Grant Award

Allocations or grant amount notices and levels will be set for each PHA based on their applications for funding. The submission of damage estimates, invoices, contractor quotes and other relevant supporting documentation by each PHA will inform MDA-DRD as to the grant amount. The PHAs acknowledge and the MDA-DRD agrees that the estimated costs may and are in fact likely to change during the course of the program. Any necessary

adjustments will be made based on documentation submitted by each PHA.

Section 5 - Eligible Entities

Only PHA's listed above are eligible entities to receive funds.

Section 6 - Funding Restrictions

Eligible activities shall address the following:

- Unmet needs of vulnerable low-to-moderate income (LMI) populations identified by unmet needs assessment, including LMI persons, the elderly and the disabled;
- Unmet recovery needs not already addressed by other federal state/local, non-profit, and/or private insurance funds
- Mitigation of risks and hazards from future hurricanes striking Harrison County
- Resilience efforts that will lessen the effects of and will increase capacity to recover from future hurricanes

PHAs are prohibited from charging to the subgrant the costs of CDBG-DR ineligible activities, including those described at 24 C.F.R. 570.207, and from using CDBG-DR funds or personnel employed in the administration of activities under the subawards for political activities, inherently religious activities, or lobbying.

Section 7 - Compliance

All projects must comply with the following laws and regulations:

- Civil Rights Act
- ADA
- Energy Policy and Conservation Act
- Local, Regional, and State Building Codes
- FEMA Requirements
- Environmental (DEQ and EPA)
- Labor Standards
- Mississippi Employment Protection Act
- Equal Opportunity
- HUD Fair Housing requirements
- 24 CFR 58 Environmental
- HUD CPD Green Building Retrofit Checklist
- International Fire Code 2018

7.1 Duplication of Benefits

Under the requirements of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5121, et seq.) as interpreted and applied by HUD, MDA-DRD must consider certain aid received in determining the amount of assistance which can be

granted for property losses. Anticipated sources of disaster assistance for such property losses include but are not limited to FEMA, SBA, other non-CDBG-DR HUD funding, private insurance, private and non-profit assistance, and other private and public sources. To avoid DOB and potential repayment of funds, the PHAs and MDA-DRD must make diligent efforts to identify and evaluate all possible funding sources, including reviewing data from other federal agencies which provide aid before applying CDBG-DR funds to a project.

Further details regarding MDA-DRD's treatment of DOB can be found in MDA-DRD's DOB policy, which is available on its website.

7.2 Conflict of Interest

MDA-DRD has established written standards of conduct covering conflicts of interest and governing actions of public servants, persons, businesses, and/or their designees funded by or affiliated with CDBG-DR funds, activities, projects, programs, or contracts. This includes, but is not limited to, those engaged in the selection, award, and administration of all CDBG-DR related contracts or agreements for grants, loans, projects, activities, benefits, goods, or services. The policy also asserts the standards and duties of all Covered Persons.

All Covered Persons shall fully disclose any real or potential conflicts of interest. Every person has the obligation to report any act that violates the provisions of the policy. All persons shall collaborate with any investigation initiated by the MDA-DRD CDBG-DR Program related to conflicts of interest. Failure of a Covered Person to disclose a real or potential conflict of interest could constitute an act of fraud.

Each subrecipient for CDBG-DR funding must have a Conflict-of-Interest Policy for its organization and shall provide a copy of that policy to MDA-DRD.

Additional information can be found in Chapter 11 of the MDA-DRD Policy Manual, "Conflict of Interest" and Chapter 12 of the MDA-DRD Policy Manual, "Anti-Fraud, Waste or Abuse.

7.3 Procurement and Contracting

Procurement policy for CDBG-DR programs administered by MDA-DRD is governed by 24 CFR 570.489(g) and the provisions found in 2 CFR part 200 as well as by applicable state laws and regulations. 2 CFR § 200.317 specifically provides that, when procuring property or services under a Federal award, the State must use the same policies and procedures it uses for procurements from non-Federal funds. In addition, where state requirements are more stringent than federal requirements, the higher standards should be followed for CDBG-DR procurement. MDA-DRD, in the administration of CDBG-DR funds, will follow state procurement laws and regulations and comply with §§ 200.321 through 200.323, as required. (See Miss. Code Ann. § 31-7-1, *et seq.*; Miss. Code Ann. § 27-104-7.)

The regulations that govern the State of Mississippi's procurement activities are issued by the Department of Finance and Administration (DFA) Office of Purchasing, Travel and Fleet Management and the Public Procurement Review Board (PPRB) Office of Personal Service Contract Review. The regulations can be found at the following links:

DFA - <https://www.dfa.ms.gov/media/3990/procurementmanual.pdf>

PPRB - <https://www.dfa.ms.gov/media/9413/pprb-opscr-rules-and-regulations-effective-01182020.pdf>

Accordingly, when procuring property and services under CDBG-DR grants, the procuring entities, including PHAs, are required to follow state procurement policies and procedures in conformity with state statutes and implementing regulations issued by MS DFA and PPRB.

Additional information can be found in Chapter 9 of the MDA-DRD Policy Manual, “Procurement and Contracting.”

7.4 Section 3 Requirements

Section 3 and its implementing regulations at 24 C.F.R. Part 75 require MDA-DRD to ensure that employment and other economic and business opportunities generated by HUD financial assistance be directed, to the greatest extent feasible and consistent with existing Federal, State and Local laws and regulations, to low- and very low-income persons, particularly those who are subrecipients of government housing assistance, and to business concerns which provide economic opportunities to low- and very low-income persons. Subrecipients of Section 3 covered funding as well as their contractors and subcontractors must comply with the Section 3 responsibilities, as outlined in 24 C.F.R. Part 75, Subpart C.

MDA-DRD, its contractors, subcontractors, and Subrecipients and their respective contractors and subcontractors must demonstrate compliance, to the greatest extent feasible, with Section 3 by implementing the employment, training, and contracting requirements of 24 C.F.R. § 75.19, and meeting or exceeding the HUD established labor hour safe harbor benchmarks for Section 3 Workers and Targeted Section 3 Workers.

Additional information can be found in Chapter 8 of the MDA-DRD Policy Manual, “Section 3.”

7.5 Davis-Bacon Requirements

The Davis-Bacon Act (Davis-Bacon) (Public Law 71-798) wage rate provisions apply to all CDBG-DR construction contracts over \$2,000 for construction, alteration, and/or repair, including painting and decorating, of public buildings and equipment purchases that require installation, which involves “more than an incidental amount” of construction work.

Exceptions to the wage rate provisions of the Davis-Bacon Act are: equipment purchases where the cost of installation is only 1.5% of the cost of the equipment; contracts for rehabilitation or new construction of a residential property that contains less than eight units; and force account employees of a state or political subdivision (other than a public housing agency), including situations when one political subdivision contracts with another using such employees, may work at less than prevailing wage rates. Additional information on Davis-Bacon and other requirements related to construction contracts can be found in Chapter 6 of the MDA-DRD Policy Manual, “Construction Management and Labor.”

7.6 Fair Housing and Equal Opportunity Requirements

The MDA-DRD is committed to ensuring that its CDBG-DR Program affirmatively furthers access to fair housing and that its policies and procedures do not deny any individuals the opportunity to participate in, access, or benefit from the programs and activities carried out as part of the CDBG-DR Program, both as program beneficiaries and as employees working to support the program. MDA-DRD and its subrecipients, contractors, and other program participants will ensure that CDBG-DR activities are conducted in a manner which will not cause discrimination on the basis of race, color, national origin, religion, disability, familial status, gender identity, sexual orientation, or age.

Additional information can be found in Chapter 7 of the MDA-DRD Policy Manual, "Fair Housing and Equal Opportunity."

7.7 Environmental Requirements

MDA-DRD as the Responsible Entity for HAGP projects will ensure that the environmental reviews required under Section 104(f) of the Housing and Community Development Act of 1974, (42 U.S.C. 5301, *et seq.*), as amended, which requires compliance with the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321, *et seq.*), as amended, (hereinafter "NEPA") and other provisions of law which further the purposes of NEPA are conducted.

The Subrecipient must comply with the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated MDA-DRD's responsibilities for initiating the review process under the provisions of 24 CFR Part 582. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.

The Subrecipient will cooperate as needed with MDA-DRD in MDA-DRD's performance of its responsibilities as the Responsible Entity for this Project.

The Subrecipient shall comply with applicable standards, orders or requirements issued under the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1251, *et seq.*), Executive Order 11738 and Environmental Protection Agency (hereinafter "EPA") regulations in 40 CFR Part 50, which prohibit the use under nonexempt Federal Agreements, grants or loans of facilities included on the EPA List of Violating Facilities. The provisions shall require reporting of violations to MDA-DRD and the U.S. EPA Assistant Administrator for Enforcement. This section also applies to all subcontracts in excess of One Hundred Thousand Dollars (\$100,000.00).

Additional detail regarding environmental review can be found in MDA-DRD's Policy and Procedure Manual.

7.8 Fraud, Waste, and Abuse

MDA-DRD, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 87 FR 6364, MDA-DRD implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG- DR Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

7.8.1. Reporting Fraud

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the MDA-DRD Monitoring Department, or directly to the OIG at HUD, or any local or federal law enforcement agency.

Any person, including any employee of the CDBG-DR Program, who suspects, witnesses, or discovers any fraud, waste, abuse, or mismanagement, relating to the CDBG-DR Program, should report it immediately by any of the following means: ADD MDA-DRD WEBSITE

Reporting Fraud, Waste and Abuse	
Phone	1-800-321-1275
Internet	https://www.osa.state.ms.us/fraud/

Allegations of fraud, waste or abuse can also be reported directly to the OIG by any of the following means:

Reporting Fraud, Waste and Abuse	
HUD OIG Hotline	1-800-347-3735 (Toll-Free)
	787-766-5868 (Spanish)
Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW, Washington, D.C. 20410
Email	HOTLINE@hudoig.gov
Internet	https://www.hudoig.gov/hotline

Section 8 - Reporting Requirements

PHAs will be required to submit quarterly reports to MDA to provide a status update on the progress of their projects. Details about the contents of require Quarterly Reports are contained in the Subaward agreements but include:

The Subrecipient shall submit to MDA-DRD regular quarterly progress reports providing the following information by the 15th of the month preceding the end of the quarter (March 15, June 15, September 15 and December 15):

- (a) Subrecipient name, address and telephone number, the Project name, Agreement identification number and responsible individual;
- (b) Year the Project was funded;
- (c) Financial status for activity, including but limited to the following: (i) amount authorized; (ii) amount expended for the current reporting period; (iii) total expended to date (all sources as well as CDBG-DR Funds); and remaining CDBG-DR Funds balance;
- (d) Documentation of its progress with respect to the Agreement Performance Measures and Milestones set forth in Exhibit "C."
- (e) Roadblocks or delays that prevented milestones from being completed;
- (f) An amended task-based schedule for completing the work described in the Scope of Services, Exhibit "B;"
- (g) Program income generated by activities carried out with the CDBG-DR Funds; and
- (h) For the reporting period, CDBG-DR Funds actually used compared to those planned to be used.

PHAs will also be required to submit to MDA-DRD a copy of their audited financial statements, including a balance sheet and a profit and loss statement. This should be provided on an annual basis, within six (6) months from the end of the PHA's fiscal year.

8.1 Submission of Reports

An original signed report must be submitted to MDA-DRD by the stated due date. Reports may also be submitted electronically or via fax prior to MDA's receipt of the original report. MDA will maintain a Performance Measure Summary Report to monitor the submission of reports and compile project data.

8.2 Review and Verification of Reports

MDA-DRD will review reports for completeness and accuracy to ensure that reports are compliant with the requirements of the grant agreement.

MDA-DRD will verify that the information submitted is accurate by evaluating the data in comparison with other project documentation, which may include, but is not limited to:

- Project schedule

- Site visits
- Cash requests and supporting documentation
- Construction progress meetings

The PHAs will be contacted by the program manager to address any questions, inaccuracies or omissions identified through the review process.

8.3 Monitoring

MDA-DRD will perform subrecipient monitoring on an established schedule from project start until project completion. MDA-DRD will review documentation, records, information, and related material to ensure compliance with all federal and state laws, rules, regulations, guidelines, policies, programs, terms, and conditions. These reviews will include, but not be limited to, the following areas¹:

- Acquisition
- Citizen Participation
- Environmental
- Financial Management
- Labor Standards
- Minority Business Enterprise/Woman Business Enterprise
- Fair Housing/Equal Opportunity
- National Objectives
- Procurement
- Section 3
- Duplication of Benefits

For each stage of the of the MDA-DRD subrecipient monitoring process, a combination of the above-mentioned monitoring areas will be reviewed.

Additionally, monitoring will be conducted for Duplication of Benefits (DOB). Such monitoring will occur for a three (3) year period after an award has been granted². MDA-DRD will conduct a periodic review of DOB at least on an annual basis. MDA-DRD will

¹ MDA-DRD's checklists were developed by reviewing HUD's own monitoring checklists, guidelines, and identified best practices.

² This three (3) year period is established based upon Mississippi law governing insurance claims, perhaps the primary area of DOB concern due to prolonged nature of resolving such claims following a disaster. Generally, insurance policy holders must file a claim with their insurance company within one (1) year of the event triggering such a claim. The insurance company must then review and reach a determination of coverage within a "reasonable time," which generally gives a company approximately thirty (30) days. If a claim is denied, the insured has three (3) years to file suit over the decision. Thus, it is a reasonable time period to monitor an applicant for three (3) years after he or she has been provided assistance under a CDBG-DR funded program.

design DOB reviews tailored to the HAGP, keeping in mind the individualized nature of the projects undertaken within.

Section 9 – MDA-DRD Policies

As a recipient of CDBG-DR funds, there are several policies, procedures, and regulations which apply to all programs, projects, and initiatives undertaken as part of MDA-DRD's CDBG-DR grant programs. These policies and procedures include: financial management, fair housing, conflicts of interest, section 3 compliance, procurement, monitoring, reporting, recordkeeping, and others. These policies and procedures are available on the MDA-DRD website at www.msdisasterrecovery.org.

Section 10 – Closeout

The closeout of a CDBG-DR subgrant follows a process by which MDA-DRD determines that all applicable administrative actions and required scope of work on the project have been completed. The subgrant agreement closeout package template will be provided to MCJ when all projects have been completed.

The MDA-DRD RR&R Program Manager and MCJ are responsible for generating, completing, and verifying the documentation required for the Closeout Package.

The Closeout Package and an updated Single Audit Report are submitted by the Program Manager to MDA-DRD Monitoring for review and comments. The Closeout Package is then submitted to Finance for review and confirmation that the grant expenditures match the State's accounting and data input for HUD's DRGR System.

Once these reviews are completed and any deficiencies corrected, the final Closeout Package is submitted to the MDA-DRD Director and MDA Senior Administration for review and approval. Upon approval, one copy of the Closeout Package is forwarded to MCJ with the original retained by MDA-DRD. This will complete the subgrant closeout process.