

Section 2

Administration

Section 2 – Administration

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Section 2 – Administration

1.0 Introduction

Disaster Recovery CDBG grants depart from the regular CDBG programs in many respects. The purpose of this section is to describe the criteria for grant administration and the reporting requirements to be used by Disaster Recovery CDBG grantees. These requirements may vary from those applied to the state or state agencies also involved in administering Disaster Recovery CDBG programs.

The Disaster Recovery CDBG Administration Manual starts at a point where the grantee has been selected and the grant approved. The focus is with the implementation and amendment of grantee programs and projects. In taking this approach the OCD-DRU notes that initial determinations of national objective, citizen participation requirements, and compliance with regulatory eligible activity limitations have previously been addressed and do not warrant extended discussion here. The continuing nature of the requirement to maintain compliance with a national objective warrants a discussion of that topic, which is included in Subsection 3.0 below. The requirements for citizen participation and eligible activities will have been provided to the grantee in conjunction with its program or project application process. An overview of the waivers and alternate requirements related to the citizen participation associated with catastrophic disasters is given in Subsection 8.0 below. The grantee should contact the OCD-DRU in the event that further guidance is required in these areas.

It should be noted that certain programs currently administered by the OCD-DRU under certain Disaster Recovery CDBG Action Plans may also be available to grantees. These programs may include activities not discussed in this manual. Grantees should contact the OCD-DRU for guidance related to administration of those programs. An example would be a grantee administered multi-unit housing loan program. This program would involve tenant eligibility (including tenant income verification), loan servicing, and asset management requirements that are not addressed in this manual.

1.1 General

A grantee is responsible for:

1. Day-to-day program management;
2. Subrecipient/Unit of General Local Government monitoring;
3. Contractor management;
4. Beneficiary data;
5. Grantee's internal audit function;
6. Record keeping;
 - a. Document day-to-day management;
 - b. Retain for five years after closeout of the State's Disaster Recovery grant by HUD;
7. Privacy; and,
8. Freedom of Information Act (FOIA) Requests

HUD provides the following general guidance for program administration:

1. Put all procedures in writing. Follow them or document why they aren't followed.
2. Build performance targets into contracts. Hone the scopes of work.
3. Make the files tell the story.
4. Build compliance into day-to-day management. Project completion can be undone by noncompliance.
5. Sign off on the work.
6. Catch problems early and take action.
7. Communicate.

The OCD-DRU, and perhaps HUD, will monitor the grantee's program activities for compliance with program requirements, approved Action Plans and amendments, and applicable statutes and regulations. See Section 12 - Monitoring for an overview of the monitoring activities. Implementing the HUD guidance above will ensure efficient program operation and less disruptive monitoring sessions for the grantee. HUD provides Guidebooks for Grantees and Subrecipients in the CDBG Program on their website (Link included within Subsection 11.0).

2.0 Definitions, Acronyms or Terminology

Please reference these terms for explanation of commonly used names, acronyms, and phrases used within this section.

1. **CFR - Code of Federal Regulations** - Identifies rules and regulations published in the Federal Register
2. **FOIA** - Freedom of Information Act
3. **HUD** - U.S. Department of Housing and Urban Development; establishes the regulations and requirements for the CDBG programs and has oversight responsibilities for the use of funds.
4. **LMI - Low to Moderate Income** - Family or household annual income less than the Section 8 Low Income Limit, generally 80 percent of the area median income, as established by HUD. LMI limits are set annually by HUD; the grantee should obtain the newest table to determine current limits.
5. **Low-Income Household/Family** - A household/family having an income equal to or less than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD. LMI limits are set annually by HUD; the grantee should obtain the newest table to determine current limits.
6. **USC – United States Code** – A consolidation and codification by subject matter of the general and permanent laws of the United States.

3.0 Meeting a National Objective

Before any activity can be funded in whole or in part with CDBG funds, a determination must be made as to whether the activity is eligible under Title I of the Housing and Community Development Act (HCDA), as amended. Activities must also meet one of the three national objectives. All projects funded under CDBG must address at least one of the following three national objectives of the CDBG Program:

1. Benefit low- and moderate-income (LMI) persons
2. Aid in the prevention or elimination of slums or blight
3. Meet other community development needs having a particular urgency

The LMI national objective is often referred to as the “primary” national objective because the regulations require that the OCD-DRU expend at least 50 percent of Disaster Recovery CDBG funds to meet this particular objective. Applicants must ensure that the activities proposed, when taken as a whole, will not benefit moderate-income persons to the exclusion of low-income persons.

A determination of the eligibility of an activity is made as a part of the OCD-DRU Project Application review process. However, under the CDBG regulations, a project is not considered as meeting a national objective until it is complete. Grantees must be aware of the national objective category and document compliance throughout the life of the project or program. See Subsection 3.1.

Except as may have been waived by HUD, the requirements of 24 CFR 570.483 relate to the national objectives. See Exhibit 1-1 Federal Register/Volume 73, No. 200/October 15, 2008 (73 FR 61154) items numbered 8, 9, 10 and 11 for an example.

3.1 National Objective Documentation and Records

Grantees must maintain records showing that funded activities meet one of the national objectives. Depending on the national objective, the files must contain, at a minimum, the specific documentation in the table below. This specified documentation may also be used in reporting performance measures information.

Documents required to be maintained for purposes of proving that a national objective was met:

National Objective	Required Documentation
Low/Mod Area	<ol style="list-style-type: none"> 1. Boundaries of service area 2. Census data including total persons and percentage low/mod 3. Evidence area is primarily residential 4. Survey documentation (if applicable)
Low/Mod Limited Clientele	Documentation that the beneficiaries are low/mod or presumed to be low/mod (by category)
Low/Mod Housing	Income verification of households (using the Section 8 definition) including source Documentation
Low/Mod Job Creation and Retention	<ol style="list-style-type: none"> 1. Number of jobs created or retained 2. Type and title of jobs created or retained 3. Income of persons benefiting from the jobs created or retained
Slum and Blight	<ol style="list-style-type: none"> 1. Area designation (e.g., boundaries, evidence area meets State slum/blight requirements) 2. Documentation and description of blighted conditions (e.g., photographs, structural surveys, or development plans) If applicable, evidence that the property meets spot designation requirements (e.g., inspections)
Urgent Need	<ol style="list-style-type: none"> 1. Documentation of urgency of need and timing 2. Certification that other financing resources were unavailable and CDBG had to be used

4.0 Duplication of Benefits

Many federal and state agencies are involved in responding to Presidentially declared major disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”). Grantees must be aware that the Supplemental Appropriations Act authorizing CDBG funding or the Stafford Act may include restrictions on using those program funds to provide assistance when insurance providers or other federal or state agencies have already funded all or a portion of the activity.

Note: See exhibit 2-5 for DOB policy and exhibit 2-6 for sample DOB policy for adoption by grantees and subrecipients.

Certain Supplemental Appropriations Acts also include restrictions against use of those program funds as a matching requirement, share or contribution for any other federal program.

The Stafford Act also contains eligibility requirements for recipients who have received prior disaster funding based upon whether or not they are in compliance with requirements associated with receipt of those funds. Where applicable, recipients must be in compliance with these restrictions or individual funding will be denied.

5.0 Complaints

Resolving local complaints is the grantee's responsibility. Grantees are required by federal regulations to establish a procedure for handling complaints that deal with local program administration, management, or operational procedures. The OCD-DRU is responsible for monitoring to ensure that a procedure for handling local complaints is in place and is used when necessary. The grantee may provide HUD contact information to complainants as needed.

For complaints regarding civil rights violations in grant programs, they should contact the Department of HUD, Office of Fair Housing and Equal Opportunity (FHEO) (1-800-669-9777).

Complaints about fraud, waste, and abuse related to grant programs that represent criminal wrongdoing or HUD standards of ethics and conduct may be submitted to the Office of Inspector General (1-800-347-3735).

Section 3 of the HUD Act of 1968 complaints are required to be filed at the appropriate HUD FHEO Regional Office in which the violation occurred within 180 days from the date of the action or omission upon which the complaint is based.

6.0 Project Amendment Procedure

If the grantee wishes to change any aspect of a project from the original agreement, they must request an amendment from OCD-DRU. The types of project amendments that may be requested, along with procedures for requesting amendments, are discussed below.

6.1 Types of Amendments

1. **Extension of Time** - This type of amendment must be requested when the grantee determines that all project work cannot be completed prior to the project expiration date.
2. **Budget Revisions** - This type of amendment must be requested when:
 - a. A need exists for line item revisions within the administration budget which will exceed 10 percent of the total Disaster Recovery CDBG administration budget.
 - b. The grantee wants to transfer administrative funds to an approved project activity.
 - c. The grantee decides not to implement an approved activity.
 - d. The grantee wants to transfer unobligated funds from a completed activity to another activity.
 - e. A need exists to make line item revisions which will exceed 10 percent of the total Disaster Recovery CDBG project budget, excluding administration.
3. **Scope of Work** - This type of amendment must be requested when expanding or reducing the approved scope of work to be performed. For instance, if a project was approved to rehabilitate 20 homes, but the grantee has enough funds to rehabilitate an additional 5 homes, an amendment must be submitted. Approval of project amendments is subject to the availability of the funds remaining in the project's approved budget. In addition, all amendments must be reviewed by the OCD-DRU environmental staff to determine if the amended scope of work changes the environmental review record.

Major reductions in the scope of proposed work could result in adverse state action—grant reduction, termination, or a finding of ineligibility for future funding. Grantee's projects were selected for funding based on their proposed projects and are expected to carry it out as proposed. Contact the OCD-DRU if problems emerge which might lead to project

modifications. The OCD-DRU recognizes that unexpected problems can occur which may invalidate the originally proposed project. However, early notification of potential problems will permit all parties involved to resolve them. The objective is to resolve problems whenever possible.

4. **Special Conditions** - This type of amendment must be submitted if a grantee wishes to seek approval to modify, eliminate, or extend the time of a special condition on the grant award.

6.2 Procedures for Submitting and Acting on Request for Amendment

Request for amendments, especially for extension of time, should be submitted no later than 30 days prior to the project expiration date. All amendments must be submitted on the Request for Project Amendment Form (sample located in Exhibit 2-1) and must be signed by the chief elected official who signed the CEA. If you submitted online, you must amend the online application by clicking the “amend” process and following the System’s direction.

Single changes or cumulative changes in the program budget greater than ten percent of the project award amount or smaller changes that result in the deletion or addition of an activity or item require prior approval from the OCD-DRU.

The OCD-DRU will provide written approval or disapproval notification to the grantee. All approved amendments will become a part of the original project award and will be subject to all applicable conditions and assurances.

Note: If the OCD-DRU finds that a request for amendment is for an action that has already taken place, the amendment will not be approved.

7.0 Reporting

Grantees must be able to fully document compliance with applicable program and statutory requirements and associated regulations for the Disaster Recovery CDBG program. This can be accomplished through careful attention in maintaining adequate records (see Section 4 – Records Management) and submitting required reports. Grantees are required to submit reports on a quarterly basis using the procedures developed by the OCD-DRU. Contact the OCD-DRU for current reporting requirements and processes.

The type of information that may be required within these reports includes, but is not limited to:

- | | |
|--------------------------------------|---|
| 1. Persons Benefitting | 6. Non-business Organizations Benefitting |
| a. Jobs Created (LMI/Non-LMI) | 7. Public Facilities |
| b. Homes Rehabilitated (LMI/Non-LMI) | 8. Buildings (non-residential) |
| c. LMI Special Assessments Paid | 9. Parcels Acquired Voluntarily |
| d. Elderly/Handicapped | 10. Linear feet of Public Improvement |
| e. Race | 11. Parcels Acquired by Condemnation |
| f. Ethnicity | Linear miles of Public Improvement |
| 2. Households Benefitting | 12. Permanent Jobs Created |
| 3. Housing Units | 13. Cable Feet of Public Utility |
| 4. Businesses | 14. Cases Opened |
| 5. Properties | 15. Cases Closed |

8.0 Citizen Participation

The requirements under 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, and 24 CFR 91.115(b) with respect to citizen participation have been waived for disaster assistance associated with Hurricanes Katrina, Rita, Ike, and Gustav and replaced with alternate requirements. See the discussion regarding this waiver within Exhibit 1-1 and Exhibit 1-2.

The citizen participation waiver and alternative requirements permit a more streamlined public process, but one that still provides for reasonable public notice, appraisal, examination, and comment on the activities proposed for the use of CDBG disaster recovery project funds. The waiver removes the requirements for public hearings or meetings as the method for disseminating information or collecting citizen comments. Instead, grantees are encouraged to employ innovative methods to communicate with citizens and solicit their views on proposed uses of disaster recovery funds.

While grantees may not be required to notify the public and solicit their views at hearings when developing specific programs and/or projects, they are strongly encouraged to do so. A sample Citizen Participation Plan is included as Exhibit 2-2. The OCD-DRU will determine applicable citizen participation requirements for program and/or project amendments on a case-by-case basis.

9.0 Management of Subrecipients

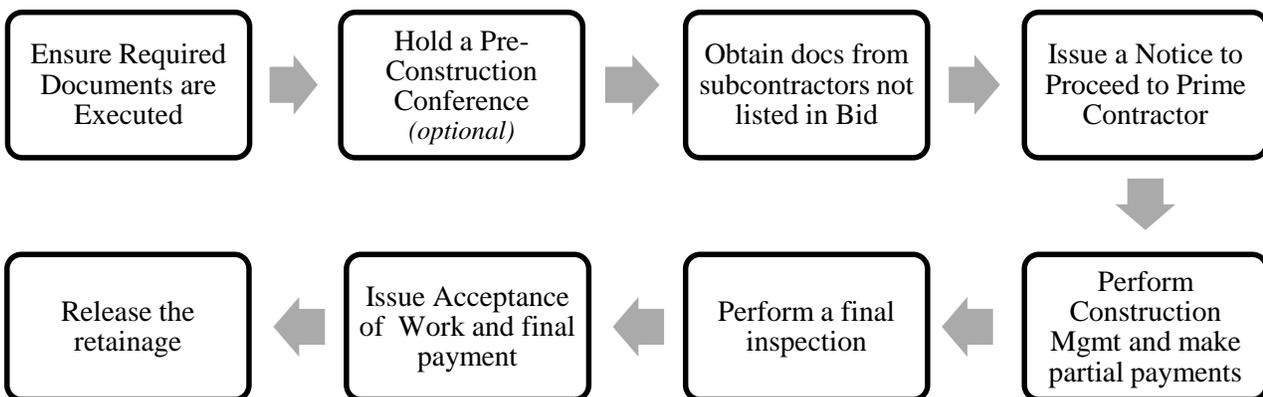
The information contained in this CDBG Grantee Administrative Manual is provided to assist both grantees and subrecipients with the implementation of disaster recovery grants. However, if grantees make use of subrecipients to carry out activities with CDBG disaster recovery funds, it is necessary that proper management of these subrecipients be executed. Subrecipient management should be conducted according to HUD's *Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight* and *Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems*. Each of these publications can be accessed by the following link:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/subrecipient.

10.0 Additional Construction Contract Administration Requirements

Due to the complexity of construction projects, the grantee must take additional steps for each construction contract/project to ensure quality of work and compliance with required laws, rules, and regulations.

An overview of the additional steps required for construction contracts is shown in the diagram below.



10.1 Execute Required Documents

Following award of the contract, the contract documents and applicable bonding and insurance requirements must be completed and executed. Contract documents include:

1. All the items contained in the bid package
2. The executed contract
3. Bid proposal
4. Contractor certifications
5. Bonding and Insurance forms
6. Verification of the status of surety or insurance companies must be carried out by the grantee, and the date and method of verification must be clearly documented in the grantee's files. (See Exhibit 6-11)
7. The Louisiana Insurance Commissioner's Office must be contacted by phone at (225) 342-0895, or online at www.lidi.state.la.us in order to determine whether or not the agent selling the bond is currently licensed to do business in Louisiana.
8. If the status of the company(s) was checked via the internet websites, a copy of the information located at the websites will be sufficient verification.

The contract file and associated compliance files should be reviewed to make sure documentation is complete. The following is a list of construction contract file requirements:

1. Preliminary design and cost estimates;
2. Final design documents and cost estimates;
3. Evidence that all necessary land or easement acquisition has been completed prior to advertising for bids;
4. Bid documents;
5. Documentation of submittal to and approval of plans and specifications by the cognizant state/federal agency having jurisdiction over the project;
6. Certification of Compliance with Architectural Barriers Act, if applicable;
7. Proof of publication/copy of advertisement for bids;
8. Minutes of public bid opening;
9. Tabulation of bids;
10. Recommendation for award;
11. Notice of contract award;
12. Executed contract document;
13. Certification of insurance/bonding; and
14. Notice to Proceed.

10.2 Pre-Construction Conference

A pre-construction conference or other means of notification should be accomplished immediately upon contract execution to inform the prime contractor(s) of his/her responsibilities. Others who must be aware of these responsibilities are the foreman or construction superintendent, the person who will be preparing payrolls, and all subcontractors identified in the bid.

These responsibilities include:

1. Labor standards (see Section 7 - Labor Regulations).
2. Other State and local provisions.
3. Technical job requirements.
4. Equal opportunity (see Section 8 - Civil Rights).

5. Any equal opportunity deficiencies should be corrected, such as Section 3 of the HUD Act of 1968 compliance plans, certificates of compliance, et cetera that have not been submitted by prime contractors and subcontractors.
6. Contractor and subcontractor responsibilities regarding equal opportunity should be explained using the list of commonly asked equal opportunity questions (Exhibit 2-3) as a guide.
7. The requirements for the equal opportunity monitoring during site visits should be explained.

10.3 Subcontractor Documentation

Any subcontractors **not** identified in the bid should provide the data necessary to verify eligibility, sign required certifications, prepare a written plan to ensure compliance with Section 3 of the HUD Act of 1968, etc. All of these contractor/subcontractor responsibilities should be complete prior to start of construction.

10.4 Notice to Proceed

After execution of the contract documents and notification of the contractor(s) and subcontractor(s) responsibilities, a Notice to Proceed should be issued to each prime contractor. The notice should state the construction start date and the scheduled completion date.

10.5 Monitoring Contractor Progress and Making Progress Payments

The purpose of this task is to monitor construction contracts to insure compliance with technical specifications and state and federal requirements, maintain adequate cost and budget controls, and process necessary contract changes in order to bring the contract to completion.

10.5.1 Cost Breakdown

Upon receiving the Notice to Proceed, the contractor must submit a cost breakdown showing the amount assigned to each portion of the work.

1. This breakdown is not required when per unit prices form the basis of payment under the contract.
2. This breakdown must be reviewed by the grantee and the grantee's architect/engineer and used as the basis for requests for payment.
3. The breakdown should be submitted within 5-10 days of receipt of the Notice to Proceed.

10.5.2 Monitoring and Construction Management

During construction, the grantee must monitor labor standards and equal opportunity requirements as described in Section 7 - Labor Regulations and Section 8 - Civil Rights.

The grantee is also responsible for construction management. Construction management must include inspection and general supervision of construction to check the contractor's work for compliance with the drawings and specifications and quantity and quality control.

Subtasks that are a part of construction management include:

1. General Supervision - must include monitoring construction to alert the grantee of the need for adjustments in design as dictated by actual field conditions and the need for contract amendments. All contract amendments affecting alignment and detail or dimensions shown on drawings must include revised drawings.
2. Quality Control - must include quality tests as necessary to verify conformance with technical specifications concerning minimum quality requirements.
3. Quantity Control - must include verification of in-place quantities and other records reflecting an as-built facility.

4. Certification of Pay Estimates - must include inspection reports and copies of field measurement notes; test results used to verify contractor's periodic pay estimates for partial payments should be attached to and filed with the periodic estimate for partial payment.
5. General - construction management may involve other responsibilities including, but not limited to, providing horizontal and vertical control in the form of benchmarks and baselines to be used by the contractor in staking the construction, review and approval of shop drawings, and project coordination.
6. Construction Management may be done by the architect/engineer, and, if so, should be included in the scope of services of the professional services contract.

A comprehensive construction contract checklist is included as Exhibit 2-4.

10.5.3 Partial Payments

Upon receipt of requests for partial payment and necessary documentation, the grantee must check equal opportunity and labor standards compliance files to insure that all payrolls have been received and checked, any restitution paid, employee interviews have been conducted, and all discrepancies corrected.

10.5.4 Change Orders

In accordance with the Public Bid Law, all change orders must be in writing. If any of the following circumstances will be affected by the change order, it must be reviewed by OCD-DRU prior to execution:

1. The project eligibility;
2. The scope of the project is outside of the approved project application; or,
3. The project's environmental clearance.

The following steps must be taken for all change orders (regardless if OCD-DRU approval is required):

1. Change orders must be prepared and recommended by the architect/engineer.
2. The costs of all change orders must be assessed for "cost reasonableness."
3. Each change order must be accompanied by a supporting statement which describes why the proposed change is deemed necessary.
4. The fully executed change order must contain the signatures of the architect/engineer, contractor, and grantee.
5. A copy of the fully executed change order must be maintained within the project file.

10.6 Inspecting and Accepting the Work and Making Final Payment

This Subsection provides guidance to ensure construction projects are properly inspected prior to closing out the project and the final payment is made.

10.6.1 Inspecting and Accepting the Work

When construction work has been completed, the following steps must be taken:

1. The contractor must certify completion of work to the grantee and submit a final request for payment.
2. The grantee must then arrange for a final inspection.
3. The grantee or the grantee's architect/engineer should attend the final inspection and prepare a written report of the inspection prior to the grantee's issuance of a final certificate of payment.

4. If the project involved the construction of a building, the Office of the State Fire Marshal, Code Enforcement, and Building Safety must issue a Certification of Occupancy.

Before making final payment (less retainage), the grantee must ensure that:

1. All weekly payrolls and Statements of Compliance have been received, checked, and any discrepancies resolved;
2. All discrepancies identified via on-site interviews must have been resolved;
3. All other required equal opportunity and labor standards provisions must have been satisfied;
4. All contract submissions must have been received;
5. All claims and disputes involving the contractor must have been resolved; All files must be complete;
6. As-built information has been provided to the engineer; and,
7. A Final Wage Compliance Report (within Exhibit 13-1 Project Completion Report) is drafted and submitted to the OCD-DRU and placed in the Labor Standards Compliance file.

10.6.2 Final Payment

Once the final work is inspected and all documents are properly executed and submitted, the grantee can issue acceptance of work and final payment, less the retainage. The contractor should file the grantee's acceptance of work at the designated location.

10.7 Retainage

After 45 days from the filing of the acceptance and upon submission of a clear lien certificate by the contractor, the grantee may release the retainage to the contractor. If any claims or liens remain after the 45 day lien period, the grantee must take appropriate action for disposition of the retainage and all claims against the bonds in accordance with state law.

In accordance with State law (La. Rev. Stat. Ann. § 38:2248.), the grantee may withhold a maximum of ten percent retainage on construction contracts which are less than \$500,000 and a maximum of five percent retainage on construction contracts which are \$500,000 or more.

10.8 Restrictions on Fire Protection Projects

The use of Disaster Recovery CDBG funds for garages to house fire trucks is allowed with the following stipulations:

1. The size of the garage will be based upon the number of operational fire trucks available to be housed there upon completion of the garage.
2. Disaster Recovery CDBG funds will not pay for vacant garage space which will be used for truck storage at a future date. The maximum size allowed for each bay is 20' x 50'.
3. If there is a valid reason that this size is not sufficient, written approval from the OCD-DRU must be obtained.
4. Disaster Recovery CDBG funds will not pay for kitchens, training rooms, et cetera in garages for volunteer fire departments.
5. While Disaster Recovery CDBG funds can be used to install a bathroom in the garage, such monies will only pay for a lavatory and toilet; bathing facilities such as baths and showers are not eligible.
6. Disaster Recovery CDBG funds can be used to install a heating system in the garage but cannot be used to install a cooling system.

If you intend on constructing buildings to house fire trucks, contact OCD-DRU for assistance.

11.0 Green Building Standards

11.1 Introduction

Grantees implementing projects utilizing funding from the Hurricane Isaac allocation are required to meet specific guidelines related to Green Building, depending on the type of project.

The projects described below are required to meet the “Green Building Standard.”

- i. All new construction of residential buildings; and,
- ii. All replacement of substantially-damaged residential buildings.

The “Green Building Standard” is described in more detail in *Section 11.2 Requirements of the Green Building Standard*. Replacement of residential buildings may include reconstruction (i.e., substantially demolishing and re-building a housing unit on the same lot in the same manner). It may also include changes to structural elements such as flooring, columns or load bearing interior or exterior walls.

For projects other than those described above, such as rehabilitation of non-substantially-damaged residential buildings, Grantees must follow the guidelines specified in the [HUD CPD Green Building Retrofit Checklist](http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls), available on the Community Planning and Development (CPD) Disaster Recovery website located at: http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls.

Additional information regarding this checklist can be found in *Section 11.3 Standards for Rehabilitation of Non-substantially-damaged Residential Buildings*.

11.2 Requirements of the Green Building Standard

Meeting the Green Building Standard requires the Grantee to ensure all new construction of residential buildings and all replacement of substantially-damaged residential buildings, meets an industry-recognized standard that has achieved certification under at least one of the following programs:

- i. ENERGY STAR (Certified Homes or Multifamily High Rise);
- ii. Enterprise Green Communities;
- iii. LEED (NC, Homes, Midrise, Existing Buildings O&M, or Neighborhood Development);
- iv. ICC-700 National Green Building Standard;
- v. EPA Indoor AirPlus (ENERGY STAR a prerequisite); or,
- vi. Any other equivalent comprehensive green building program, including regional programs.

11.3 Standards for Rehabilitation of Non-substantially-damaged Residential Buildings

For rehabilitation projects (see definition in *Section 11.1*), Grantees must apply the guidelines outlined in the [HUD CPD Green Building Retrofit Checklist](http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls) (http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls), to the extent applicable, on the rehabilitation work undertaken. Examples include the following:

- The use of mold resistant products when replacing surfaces such as drywall.
- When older or obsolete products are replaced as part of the rehabilitation work, use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances.
 - If the furnace, air conditioner, windows, and appliances are replaced, the replacements must be ENERGY STAR-labeled or FEMP-designated products

- WaterSense-labeled products (e.g., faucets, toilets, showerheads) must be used when water products are replaced.
- Rehabilitated housing may also implement measures recommended in a Physical Condition Assessment (PCA) or Green Physical Needs Assessment (GPNA).
 - PCA – Identifies repairs necessary in the first year following restructuring and the repairs and replacements during the next 20 years; it only offers “traditional” and “green” components that meet local building code; it estimates costs using both “traditional” and “green” principles; and it provides comments on the benefits (financial and otherwise) of the green alternative.
 - GPNA – A tool developed by HUD to be utilized by public housing agencies in conducting a comprehensive assessment of the physical condition of their housing stock, as well as, all sites and other facilities. Additionally, agencies are required to conduct energy audits of all developments and incorporate the results into the GPNA.

11.4 Exceptions

There are circumstances under which a Grantee is not required to meet the specifications described in the previous sections. They include, but are not limited to, the following:

- A. For construction projects completed, under construction, or under contract prior to the date that assistance is approved for the project, the Grantee is encouraged to apply the applicable standards to the extent feasible, but the Green Building Standard is not required.
- B. If the Grantee is required to replace specific required equipment or materials for which an ENERGY STAR- or Water- Sense-labeled or FEMP-designated product does not exist, the requirement to use such products does not apply.

HUD encourages Grantees to implement green infrastructure policies to the extent practicable. Additional tools for green infrastructure are available at the Environmental Protection Agency’s water website, Indoor AirPlus website, Healthy Indoor Environment Protocols for Home Energy Upgrades website, and ENERGY STAR website: www.epa.gov/greenbuilding.

12.0 Resources

Exhibit	Topic
Exhibit 2-1	Sample Disaster Recovery CDBG Request for Project Amendment Form
Exhibit 2-2	Sample Citizen Participation
Exhibit 2-3	FAQs Concerning Equal Opportunity – A Preconstruction Conference Handout
Exhibit 2-4	Sample Construction Contract Checklist
Exhibit 2-5	OCD-DRU Duplication of Benefits Policy
Exhibit 2-6	Sample Duplication of Benefits Policy
N/A	HUD Guidebooks for Grantees and Subrecipients in the CDBG Program http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/community_development/library/subrecipient