

## **Developing Your Infrastructure Projects - from Procurement to Closeout**

Clay Lloyd: -- HUD's 2020 summer webinar series. My name is Clay Lloyd and I'm a specialist in the disaster recovery and special issues division. This summer webinar series has been a way to do trainings for our CDBG-DR and CDBG-MIT grantees in lieu of our cancelled 2020 problem solving clinic. And in that vein I just want to invite everyone that's listening to this webinar to take part in the two upcoming webinars that are remaining in the series; you can find those at the HUD Exchange website. All right, next slide.

Great. So the agenda for this webinar is infrastructure projects and what we're going to do is, we're going to have an overview of the infrastructure project lifecycle and we're going to go into a little bit into defining and setting up the project and the initial compliance and then move on to construction management and ongoing compliance and finally to talk a little bit about closeout.

And I do just want to remind everyone if you have questions, definitely use the chat box. We have the people at ICF and people at HUD that are here to answer your questions, if you have any, so just make sure to type them in the chat box throughout the presentation.

And by means of introduction on this presentation we have myself, Clay Lloyd, at HUD. We have Lauren Nichols at ICF and Robby Bizot at ICF. And Robby and Lauren have infrastructure experience so they can help us go through this presentation and give you valuable training. Next slide. Great. So with that, I'll pass it off to Lauren.

Lauren Nichols: Thank you, Clay and welcome everybody. I just want to double check that you can hear me.

Clay Lloyd: Yes, we can hear you.

Lauren Nichols: All right, thanks Clay. Again, welcome everybody. Happy Thursday. So today we're going to be going into some of the main steps that grantees and subrecipients may experience and should consider as they design, select, set-up, implement and closeout their infrastructure projects.

One thing we aren't going to be diving into today in great detail is the architectural and engineering [inaudible] of designing infrastructure programs and there are going to be a lot of compliance areas that we're going to touch on but without going into great detail and then there's some compliance areas that we're actually not going to really touch on today. However, there are a lot of great tools on the HUD Exchange that go into each of these compliance areas and please be sure to reference those tools on the HUD Exchange if you're wanting additional guidance or insights into those parts of the presentation.

So one of the main learning objectives today is to provide a high level overview and some examples of how many of these important compliance and logistic pieces fit together in the context of a CDBG-DR or CDBG-MIT funded infrastructure project.

So this slide shows, again, it's a fairly high-level overview of an infrastructure project lifecycle. In this example, those are catalysts for making funding available is a notice of funding availability or a NOFA. And so the state or local government often will release the NOFA that details all the eligibility requirements, the scoring criteria, the timeline and approach for selecting and approving projects and all the other details that applicants need to know in order to submit a complete and compliant application for funding.

Once that NOFA's been released, then either usually whether it's a local government, another state agency, nonprofit or another subrecipient, will select a project and submit an application for funding. From there typically the grantee will perform a subrecipient capacity assessment to determine whether the subrecipient has the capacity to carry out the proposed activity and any additional measures or technical assistance that the grantee needs to provide to the subrecipient in order to get them prepared to be able to implement that project if it's needed.

Following this application and there will be a project selection and project approval, after they've demonstrated all the requirements have been met, and then once the project's been approved, typically they'll move to procuring or selecting services for developing the architect and engineering scope of work and specs for the project. From there the environmental review can happen once the project scope of work is defined. Then this is a critical step that must happen before moving to construction or obligating any funds.

And once the environmental review is done then the subrecipient or the grantee, depending on who is implementing the project, will typically move to construction procurement, which will help them get the best price for the work that they need. And then moving into construction contracting, permitting from there, pre-construction conference before the project gets underway followed by a formal notice to proceed, then construction management and project completion all leading to closeout. So we're going to go into all this information in a little bit more detail. This is one way that -- you know some of these pieces can perhaps occur in different order depending on how the grantee has their design set up but this is a common structure for a project lifecycle.

All right, so I have thrown out a couple terms already just to take a step back there. So the HUD grantee typically is the entity and lead agency that receives the CDBG-DR or CDBG-MIT grant from HUD and they ultimately are responsible for the oversight of those funds. The grantee can be a state, territory, tribe or entitlement community but they are the ones who are ultimately responsible to HUD.

Then the subrecipient, there are a couple definitions you can see here in the regulations for a subrecipient, but there again it can be a local government, a nonprofit, counsel of government and other state agency or other non-federal entity who has legal authority to administer a project or program on behalf of the grantee. And as you saw in the lifecycle here you can see there is a blue bar running throughout the entire lifecycle of monitoring and recordkeeping. So it's important to understand that monitoring will take place throughout the life of the project. And it's performed by various entities whether it's HUD, HUD IG at the federal level and the grantee at the state or local government or at the state or entitlement community level and then the subrecipient will also have monitoring responsibilities.

And in order to help facilitate that monitoring process, there are recordkeeping responsibilities throughout the project, so recordkeeping is compiling and organizing all documentation and information in a way that tells the story to any reviewer for years to come. So for example, CDBG-MIT has a potential to be a 12-year grant for a lot of these projects or the programs. And what you're doing now to set projects that may be reviewed by teams of people years down the road and they should be able to pick up a file at any point and understand how and why projects are being approved, denied or how they're meeting each step of the compliance requirement. So this recordkeeping it's not only just aggregating documentation but making sure that it tells the complete and full story for folks to review down the road.

And another key role and responsibility in this process that kind of runs throughout the lifecycle of the project is technical assistance and clear communication. This goes to, you know, not only HUD provides technical assistance to their grantees, grantees provide technical assistance to their subrecipients and clear communication should be occurring at all levels and across agencies.

And again we'll be talking mainly today about grantees and subrecipients and one of the most important messages through all this is they are partners with joint responsibility for success. And that includes making sure that expectations are clear, that all files are clear and that all information is shared back and forth, predictably and understandably so they can help each other be successful in undertaking these very important projects.

So as is common in all good project management plans, investing, funding time and thoughtful planning into the design of a project is critical for the project's success. So in this section we're going to be talking about these first three components of the project lifecycle: Selecting and submitting the application, the subrecipient capacity assessment and then project approval.

So the first thing is, in order to move forward with the project is you need to make sure that it's eligible and there are quite a few sources of requirements and regulations that inform whether or not a project will be eligible under the program. And so we included this diagram to highlight the bodies of rules and regulations that go into the program design. And then ultimately the details of the notice of funding availability and the program policies and procedures, all of which ultimately set the parameters for the projects that subrecipients or grantees can put forward in their application for CDBG-DR or MIT funding.

It is worth noting that these sources of funds are some of the more flexible funding sources but different grantees or subrecipients may also choose to include additional restrictions that must be carried down to each project that is funded under each of the approved programs. So the federal requirements set parameters then the grantee sets additional parameters and definitions within their action plans and they provide additional detail within their policy and procedures and into their NOFA and then ultimately the subrecipients may also choose to put additional parameters within their policies and procedures. And ultimately the projects that are approved and implemented need to comply with all of those levels of eligibility.

So when subrecipients or grantees are pulling together their projects that they want to approve, there is a lot of considerations and often within the application templates grantees will include questions like this with more kind of specific parameters on how they have to be answered to get at this type of information.

So these are just some of the questions that may come up, but you can understand what is the project and how is tied to recovery from the disaster or meet a mitigation need? What are the quantifiable outcomes from the project? Who will benefit? Why should this project be prioritized over others? What's the timeline? What is the budget? Are all funding sources committed? Are there other untapped funding sources available for this project? Is it feasible, sustainable, and how are the long-term operations and maintenance going to be paid for? And again, does it meet all the program criteria?

And the idea here with all these questions, however they are framed in an application is to make sure that the project is eligible, feasible, impactful and implementable. All the answers to these questions should be clearly documented in the application for funding, does it provide the transparent and justifiable explanation for why grantees and subrecipients are investing limited federal funding into specific investments. And behind all this, which I'm sure you've all read through different -- the Federal Register for both CDBG-MIT and CDBG-DR is that coordination is key.

In order to be able to answer all these questions, it's likely that the grantees and subrecipients will need to coordinate with other agencies, existing recovery or mitigation plans and community stakeholders to help make sure all funding sources, investments and efforts are maximized and leveraged wherever possible. Like I said, this is specifically called out as a requirement emphasized for both MIT and DR funded programs and projects and it's foundational for implementing lasting and impactful projects.

So this table outlines at a high level the fundamental requirements that all CDBG-DR and MIT projects have to meet in order to be eligible for funding. You can see there is a distinction here at the top between DR and MIT. So for DR, the activity must respond to a disaster related impact identified in the grantee's unmet needs assessment. And for MIT those projects have to meet the definition of a mitigation activity and address the risks identified in the mitigation needs assessment.

But otherwise for both funding sources, they have to be allowable in the appropriation and other laws including in the Federal Registers, the associated laws. They have to be eligible for the CDBG regulations or as a waiver or alternative requirement. They have to meet a CDBG national objective. They have to be eligible per the grantee's action plan and their program policies and procedures. And any other additional policies and procedures if a subrecipient has additional policies and procedures.

And then they also have to meet additional criteria for covered projects, if applicable. Covered projects this is a concept that is included in the CDBG-MIT Federal Register. It has been included in certain CDBG-DR allocations as well. So here again, it's always important depending

on the source of your funding to understand what additional criteria are but this covered projects is a good example.

So in the context of MIT for example a covered project is a project with a total cost of \$100 million or more with at least 50 million of CDBG funds and that can be CDBG-DR, MIT or regular CDBG in that project. And so there are additional criteria for the covered projects if it meets those criteria including demonstrating consistency with other mitigation activities in the same most impacted and distressed area. Demonstrated long term efficacy and sustainability of the project including its operations and maintenance. And a demonstration that the benefits of the covered project outweigh the costs, so through the methods that are described in the Federal Register.

So these next slides are kind of going into a little bit detail about what's included in that table but as congress appropriates CDBG-DR and CDBG-MIT funds for specific purposes and then HUD grantees and subrecipients have the responsibility to make sure all those appropriate funds are used for those purposes. So for CDBG-DR funds, they must be used for necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalizations. And then CDBG-MIT activities are distinct and different from DR in that they have to 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.

So within the context of CDBG-DR it's the unmet needs assessment within the action plan that really outlines the recovery needs that a grantee is facing. And then in the context of CDBG-MIT it's the mitigation needs assessment that really outlines those risks and the unmet needs for addressing those risks.

So embedded within these contexts are these additional parameters around using funds and maximizing and coordinating funds. So one of the first foundational ideas here is this concept of order of assistance. So although the language may vary among appropriations like a lot of these concepts do, the most common statutory order of assistance requirements, prohibit the use of CDBG-DR or CDBG-MIT funds for activities that are reimbursable by or for which funds are made available by FEMA or the U.S. Army Corps of Engineers.

So what does this mean? It means that before you use CDBG-DR or MIT funds, you should check to see if other funding sources are available or have been made available for that project. And this is particularly applicable to FEMA and Corps funding, but this concept is also applicable conceptually to state and local funding. You can't use CDBG funds to supplant other funding sources that have been made available for the project or activity at hand.

Then the next one is duplication of benefits which all grantees and subrecipients must comply with so they have to comply with Section 312 of the Stafford Act and all applicable DOB notices and the requirement that all costs are necessary and reasonable and ensure that each activity provides assistance to an entity only to the extent that the entity has a recovery or mitigation need that has not yet been fully met. And again, what does this mean? It means that a

subrecipient or an applicant cannot receive assistance from multiple sources for the same purpose and the total amount of assistance provided cannot be greater than the need.

So for example, if FEMA has obligated 75,000 to a project and the total project costs is 100,000, then the total CDBG-DR or MIT funding that could be obligated to the project is \$25,000 or less. In other words, the amount from FEMA and the amount from HUD when they're combined cannot be greater than the amount of the project costs or else there would be a duplication of benefit. And the basic principal with both of these rules is that we need to make sure being responsible with taxpayer dollars and also help make sure that we're maximizing all available funding sources.

So one of the eligible activities within CDBG-DR and MIT rules that CDBG-DR and MIT funds can be used to meet a matching requirement, share of contributions with any other federal program when it's used to carry out another eligible CDBG-DR or MIT activity. There are some parameters around this.

For example, one of the ones that folks may be facing increasingly now as you're looking at your MIT programs is that there's a limit of using CDBG funds for the U.S. Army Corps of Engineers' project you cannot put more than \$250,000 of CDBG funds into that project is matched.

And then importantly all -- match in and of itself for the non-federal cost share of itself is not an eligible activity. The project also has to meet all the applicable CDBG-DR or CDBG-MIT requirements in order to be used as the non-federal cost share.

And so one tip for that is to ensure that all CDBG-DR or MIT and applicable programmatic state or federal cost cutting requirements are included in the design, project worksheet, application file structure, whatever it is, all the bureaucratic components of a FEMA or an Army Corps of Engineer project upfront in order to build that into the design of that project early on. So there will be more guidance from HUD on cost share requirements, particularly for FEMA and CDBG but again just understanding whether or not CDBG funds could be infused into a project can help you set that project up for meeting all the CDBG requirements early on and save time on the back end.

So we talk about infrastructure and infrastructure just defined as infrastructure isn't a category of eligible activity within CDBG-DR or MIT rules but there are these other concepts of eligible activity within CDBG and the one that is most common is public facilities and improvement. And so this includes generally publicly owned facilities improvements such as streets, playgrounds, underground utilities and buildings. They can also be by non-profits if they're open to the general public.

Another way, though, that you can have an impact on public infrastructure is through these other activities, whether it's acquisitions and buyouts, public services, code enforcement, planning, even some economic development activity. But just as an example, buyouts can be used not only as a proactive measure for protecting high-risk residents and helping them move to lower risks locations but they can also be used once folks are relocated out of harm's way that land may be

converted to a buffer zone or to be used as strategic storm water or floodplain management for the remaining surrounding areas and often can be used as a good example of green infrastructure.

Public services are allowable if the service is for a new or expanded service. And some examples may be in the context of infrastructure may be public safety services or recreation programs, energy conservation and counseling and those types of services all which have a public benefit in that if the service is new or expanded.

And code enforcement is its own eligible activity under CDBG allows for the payment of salaries and overhead costs directly related to the enforcement of state and local codes. So for state entitlement or local communities who are looking to change codes as part of their overall resilient recovery or mitigation strategies or who need to ensure that rebuilding communities comply with the codes in order to protect, coordinate, and plan for the capacity needs for public infrastructure such as storm water systems or waste water treatment facilities, they may decide to fund eligible code enforcement activities.

And then planning, again, is its own activity within CDBG eligible activities. And it's often a key component for how communities assess their needs and risks from multiple perspectives, how they coordinate across funding versus an initiative and often can be used as the public process for prioritizing specific infrastructure projects and initiatives.

All right. The national objectives. So this chart has all the national objectives that have been included in the various CDBG-DR Federal Registers over the year. This is just to kind of highlight this is just for CDBG-DR and again, it's important to understand each allocation may have different rules or parameters around this but generally these are all the national objectives that have been included over the years.

So there are quite a few ways to meet a national objective with CDBG-DR funds. And again, there are a lot of resources on the HUD Exchange on how to meet a national objective. And so generally grantees -- so the first funding, low to moderate income benefit generally grantees are required to ensure that at least 70 percent of their funds will primarily benefit LMI persons. This may vary, again, from appropriation to appropriation and from MIT it's been reduced to 50 percent, but it is important to remember that a core goal of CDBG funding is to benefit LMI persons. So grantees and subrecipients should clearly understand who the beneficiary whether they're direct or indirect are for a project in order to understand if that project meets one of the LMI national objectives.

So this first one, area benefit, for infrastructure projects that tends to be one of the more common low to moderate income national objectives that is used and that's true under CDBG-DR and regular CDBG. So Robby's actually going to go through a couple examples here in a moment through LMA to show you how that one might be applied.

The limited clientele project example could include improvements in hardening to a homeless shelter that was damaged in a disaster as that project would serve a presumed LMI population of homeless folks. For housing, housing isn't really used in the context of infrastructure programs very often, LM housing, but this national objective can be used for single family homeowner, or

rental programs, multi-family rental, homeowner assistance programs when the applicants or the tenants are LMI.

The LMI jobs national objective could be used in the context of a infrastructure project, for example, if the local government decides to undertake a street and stormwater improvement project that benefits businesses on a commercial corridor who all submit to expanding their permanent full-time jobs in exchange for the improvements provided those jobs meet the LMI criteria.

And then, again, over the years, HUD has added two additional LMI national objectives to CDBG-DR allocations. And those are LM buyout and LM housing incentives, which has provided grantees additional flexibility in meeting their recovery and mitigation goals. They apply to the households who receive assistance to sell and relocate their high-risk homes if those households are low to moderate income.

So then moving from low to moderate income to slum and blight, these are -- so slum and blight are -- sorry -- activities that meet the slum and blight national objectives are activities that aid in the prevention or elimination of slums or blight in a designated area. And there's the area basis or spot basis. Area basis ends up being an area that is designated slum and blight and spot is pretty much what it describes, where it's sort of a single isolated project that's not included within a designated slum or blight area.

So for example, in the context of an infrastructure project, this may mean a subrecipient may decide to use CDBG-DR funds to acquire and demolish a destroyed facility and then convert that area to a public park or to another activity that eliminates the public safety and blight conditions.

And then the third area of national objectives is activities that meet an urgent need. And in the context of CDBG-DR, HUD has granted alternative requirements from the standard CDBG certification requirements for documenting urgent need. But there are still requirements that grantees and subrecipients have to document and show in order to qualify a project under urgent needs.

So again, kind of going back to this concept that everything ties together and going back to the action plan, there has to be clear documentation for a foundational tie back that will be described in the grantee's met needs assessment of their action plan. And so in the action plan they'll describe the disaster impact that will be carried into the program's policies and procedures of how an applicant has to demonstrate disaster tie back and then that'll carry down into the project file for how that particular project ties back to a recovery need from the disaster.

So for CDBG-MIT, the national objectives are very similar as we just went through for CDBG-DR national objectives, but it is important to read the Federal Register and understand how they may be different from previous CDBG-DR allocations and Federal Registers. And like I mentioned, for this appropriation of CDBG-MIT, the LMI overall expenditure has been reduced from 70 percent to 50 percent.



For CDBG-MIT HUD has received an urgent need mitigation national objective which is a new national objective and it also has alternative requirements from the traditional CDBG urgent need national objective. So activities that are funded under this national objective have to address one or more of the current and future risks in the grantee's mitigation needs assessment and in one of the HUD designated most impact and distressed areas or the state's or grantee's designated most impact and distressed areas.

These activities also have to result in measurable and verifiable reduction in the risk of loss of life and property from future disasters and yield community benefits. And then like I mentioned before with covered projects there's additional requirements also if a covered project is going to be funded you have to demonstrate consistency with other mitigation activities in the same mid-area or the most impacted and distressed area, demonstrate long-term efficacy and sustainability of the project including first operations and maintenance and also demonstrate that the benefits of the covered project outweigh the costs through the methods that are described in the Federal Register.

One important thing that you'll notice from this chart is the omission of slum and blight. So in the Federal Register for CDBG-MIT HUD has included a waiver and alternative requirement that grantees shall not rely on the national objective criteria for the elimination of slum and blight conditions without approval from HUD. And the idea is that this national objective generally is not appropriate in the context of mitigation activities. So between the LM national objectives and the urgent need mitigation, those national objectives are more appropriate for the types of activities that are going to be funded with MIT funds.

And with that, I am going to hand it off to Robby Bizot to give us a little more detail about LMA national objective and the rest of the lifecycle.

Robby Bizot: All right. Thank you, Lauren. And thank everybody [technical difficulty]. So as Lauren mentioned the [td] can be used under an infrastructure project and primarily the most common one used is the LMA national objective, also known as low to moderate area benefit.

As defined by 24 CFR 570.483(a)(1), critical steps for determining eligibility you'll see there is a chart and you're going to be hitting some basic points in evaluating whether or not your project would meet the LMA national objective. That's through looking at the eligible activity itself, the service area, the [td] and asking whether [td] there are requirements [td] will want to be remaining [td] along with the projects [td] HUD audits or a couple of jurisdictional audits that [td] association with national objective.

An area of benefit activity is an activity which will benefit all residents of an area which is primarily essential. To meet the national objective of this benefit the LMI persons on an area basis an activity must meet the identified needs of the LMI's income persons residing in an area where at least 51 percent of the residents qualify as LMI individuals. There is an exception to this rule, in the event you have an upper [inaudible] maybe some type of exception criteria for entitlement communities which would also need to be considered with an associating LMA national objective.

If a grantee is able to document and support that a service area coincides with one or more census boundaries, the grantee may use the HUD provided LMI summary data, which is also called the LMISD or particular census track to determine whether the project will primarily benefit low and moderate income individuals. If the service area does not coincide with the census boundary or if the service area includes parts of multiple census tracks, the grantee may perform a survey of the service area. Additional information on how to perform a survey on the new projects can be found at this link within this PowerPoint presentation.

Let's look at a couple examples. So in the example you see here, a subrecipient is proposing to perform a street rehabilitation improvement within census track 7720.01 Block Group 3. And what we've done here is we've given you an aerial photo using Google maps. Why is that important? We want to know the footprints of the actual structures within this particular block group. And when looking at this picture, you'll notice because Google maps indicates actual commercial buildings or storefronts, it is primarily residential noticing that just along that main thoroughfare along 25th Avenue North is where the majority of the commercial or storefronts reside. But primarily the rest of this block group is in fact residential and you'll also see that they have a park to the left.

You'll notice in red also this is where the actual street improvements are going to be occurring. What you don't see in this picture is the fact that to the north of this neighborhood is the Gulf Coast and knowing that we're treating this as the disaster recovery improvements project, in order for these individuals that live within this block group to have point of egress during evacuation times to move south from the north portion of the Gulf, individuals residing in this block group, which we'll call almost a large neighborhood, would access these roads in the event of future evacuations. So let's see how this project coincides with that table that we looked at before.

So in this table you recognize the same chart. We're looking at the eligible activity service area LMI percentage beneficiaries and is it primarily the residential. Well, looking into more detail this eligible activity, the project scope in and of itself, this subrecipient's going to be doing 2600 linear feet of street rehabilitation improvements. And we have to ask ourselves, does that fall under an eligible activity. In this scenario it does. It falls under the eligible activity construction or reconstruction of street. So having that on file, documented on how you arrived at that would be necessary to validate and document that level of understanding.

We also look at the service area. We realize that we are working within a census track and then filtered down into an individual block group in that census track. The documentation that we're going to be used to support that service area is the map that we used to create the block group and actual rehabilitation of the streets within that map. We also look at the LMI as the data you access on the HUD website. It is a spreadsheet which you're able to filter on the actual block groups and census tracks you're looking for. And in this analysis within this block group and census track, 1,115 beneficiaries reside in which 655 are LMI. So dividing those over each other arrives at 58.74 percent LMI. So this is an LMI block group.

Next we look at the beneficiaries. Will all the beneficiaries have access to these improvements? Well, the street improvements are going to incur on main thoroughfares within the block group

available to all beneficiaries as we indicated being that these are areas of evacuation routes south in the event of a future storm. So the map created also supports that, documenting the egress and through some narrative of thoroughfares would also be adequate to support that documentation.

And then lastly or is it primarily residential? You know upon visual view of that map using Google we were able to accommodate the understanding that it is primarily residential. So you'll notice that we were able to answer yes for all of these questions. So therefore, this block group and these improvements within this reconstruction and construction of streets would qualify as a LMA activity.

Let's look at another example. In this example, the subrecipient's proposing to perform sanitary sewer improvements at four different locations. And you'll notice within this map we've outlined the actual specific project areas. You'll see they're west to east within the city. The work includes rehabilitation of sewer lines within right of way access behind the properties. It includes rehabilitation of the tie ins to the residents' existing sewer lines.

So what we wanted to make note here is that we understand that we're going to be doing rehab behind the individuals' houses along basically a service alley. We're also going to be tying back into their main lines to deal with the access into their homes. But we also noticed that it's only a specific project area within this city-wide area. So what would have made this something different? Maybe we could have treated this an LMA. Well, let's look at that checklist to make sure.

So we asked ourselves the same questions, right, is this an eligible activity? Well in this scenario they're doing 2250 linear feet of sanitary sewer improvements and it does meet an eligible activity which is construction, reconstruction [td] citywide map and we have LMI as the data to be able to understand that as well. So we're working our way down this checklist. But you'll notice that when we get to beneficiaries, we realize that the sewer improvements will only benefit a small set of beneficiaries and not the entire city nor all of any block group. So surveys would be required to determine the actual beneficiaries receiving benefits from the improvement. And then we also have to look to see whether or not it was primary residential. In the event that we were able to say that the entire city would have been served and let's see how we could have done that.

Well notice that we have main trunk lines going down the middle part of the city. And you'll also notice the location of the wastewater treatment plant. Had the city elected to do some maintenance or rehab on the actual water treatment plant itself or maybe the main trunk line that leads the water to the wastewater treatment plant to be recycled [td]. Therefore, of course more justification would be needed and analysis, but this could have been a better alternative to maybe say that the entire area would have been served. But being that only a small portion of the project area within the city is being served, is the requirement while they're going to be doing surveys to determine the actual beneficiaries and from them understanding the income and total number.

Let's look at one more example. We have a subrecipient who's intending to create a detention pond that will help reduce flooding during heavy rain events by capturing storm water runoff from a few neighborhoods. So you'll notice the location of the detention pond. It's almost in what

appears to be a vacant baseball park or some field. You'll also notice that there is a neighborhood directly left to that area and south to that area. And you'll notice to the far west of that area there is another neighborhood. If you look at the map of the census tract map, you'll notice that the location of the detention pond is within, we'll just call it block group number two. Although the neighborhood directly adjacent to it falls in block group three. So you'll also notice that large neighborhood all the way to the west also falls within block group three. So let's see what happens when we start looking.

So the project falls within block group two and the subrecipient wants to use only this block group to determine that the project meets an LMA national objective. The reason we say that is because this block group is primarily residential and it's over 51 percent of its residents are LMI. Although because they are trying to say that the entire block group would be served, we have to see and it's on the boundary, let's see if in fact they are being served or if we have to look at other areas, because there is a neighborhood to the west of block group two that would not benefit from the improvement and that neighborhood is circled in one.

We also see there is a neighborhood to the south in block group three that will receive benefit and that's circled in two, it's a circled neighborhood. So not all the block group two will benefit and only a portion of block group three will benefit, therefore the subrecipient based on this service and area analysis will be performing household surveys of the truly impacted neighborhoods to identify the true beneficiaries and that's number three right there, a circled area that actually would benefit through some type of hydrology inundation study by the engineer of the true benefits of this project therefore forcing to do surveys as it's not meeting the entire block group and there are multiple areas within block groups being served.

Okay. So next we're going to talk about subrecipient capacity assessment. As Lauren mentioned at the beginning of this presentation, often infrastructure projects are carried out by local governments who serve as subrecipients to the state grantee. Since CDBG-DR and CDBG-MIT programs can be so complex, grantees and subrecipients should perform a capacity assessment of subrecipients prior to or as part of a contingency of award in committing of funding.

Be sure to determine subrecipient's capacity to carry out its role in a compliant and timely manner. Well, how do you do that? Well, looking at grant management history could be a possibility. Maybe looking at past audits for example because they can vary a lot. Also looking at staffing, maybe having a conversation with a subrecipient and understanding their staffing experience and where they may be able to identify some gaps.

We also look at program and activity experience, financial management and reporting systems and contractor oversight experience. Subrecipient capacity are often talked about from the perspective of being helpful to help grantees manage risk and identify areas of technical assistance that they themselves can provide to subrecipients. However, since the grantees and subrecipients are partners and their success is intertwined, there are also great opportunities for subrecipients to understand where they need some additional support and either hire or procure additional support to make sure they are set up for success in design, delivery, and recordkeeping of their programs and projects. For more information on subrecipient management, be sure to check out the subrecipient webinar from earlier this month on the HUD Exchange.

So although CDBG-DR and CDBG-MIT have their own suite of rules and regulations, waivers, alternative requirements, these funds also come with a large body of crosscutting and other applicable regulations. When you're designing your project and selection of projects it will be important to decide which rules and regulations apply to your infrastructure project and whether or not they will have a direct impact on managing your project.

So we have a few areas we need to look at. You know they have a timeline. So you'll notice the crosscutting regulations cover each portion of the areas of impact on this project. So as far as the timeline, these crosscutting regulations can add time and impact the timing of whether certain steps in your project can happen. If they were to get this timing right could result in ineligible costs or unnecessary project delays.

In respect to these requirements on budget they all add additional oversight. So compliance can either alter the payment structure for projects. Some of these rules do this very directly. Some in the case of complying with federal labor standards in paying prevailing wages which can be higher than the non-federal projects pay in that area; it could be a sub-budget area to look at. On the other hand, while there aren't additional salary or payment requirements associated with complying with Section 3, it is important to include time for recruiting, reporting and establishing a Section 3 coordination process to demonstrate how to the greatest extent feasible the subrecipient and a grantee have tried to meet the Section 3 goals of providing economic impact to Section 3 residences and businesses in that area.

Similarly, the cost of monitoring in all of these areas for each project can add staff hours to a subrecipient or grantee's budget, but failure to monitor and ensure projects are compliant can result in repayment of all or portions of the project costs. You know, how does this relate to scope of work? You know taking the time to plan how these requirements apply to the scope of work on the front end of the program design will help save grantees and subrecipients endless frustration on the back end. Having a comprehensive scope of work that identifies all applicable federal regulations not only helps map out how and when the requirements are going to be met but also make sure any potential construction contractors and bidders understand everything they're responsible for doing or complying with and in the event they win the work.

Recordkeeping and monitoring, these are really the areas that benefit from front-end planning and incorporating all requirements into the project design and selection. Those requirements and grantees have the opportunity to either document or set up the file for documentation. And on the front end to this you really want to do that to minimize surprises and avoid ineligible costs or activities as the project gets approved and moves through the implementation stages.

And then lastly you have closeout. In order to get a project to a closeout, the grantee and subrecipient will need to be able to document that all applicable requirements have been met, and you'll hear this often, it's always best to start with the end in mind and set the files up in such a way that will be crystal clear down the road and allow for a smooth closeout whenever that time comes.

So next [td] go through procurement, environmental construction, actual monitoring, oversight and obviously the closeout portion after. You'll also remember that monitoring and recordkeeping is a consistent methodology throughout the course of this lifecycle.

So let's set up some parameters which grantees and subrecipients have to work to meet the procurement requirements when they're procuring goods and services when using CDBG-DR and mitigation funding. So state grantees follow the existing procurement requirements of their state. They can adopt some but not all procurement requirements in 2 CFR 200.318 through 326 combining state and federal regulations or adopt 2 CFR 317 to apply all the procurement requirements into CFR 318 through 326 to itself and to its subrecipients. Entitlement grantees and subrecipients follow 2 CFR 200.318 through 326.

Part of the purpose of a competitive procurement process is to demonstrate transparency. There are many layers of procurement rules: Federal, state and sometimes local rules. And grantees must follow all of those applicable rules to their situation. In all cases the stricter procurement regulations govern. HUD has a lot of great resources on the HUD Exchange, one being the buying right guide. There's also a webinar buying right to CDBG-DR procurement requirements webinar where you can learn more about procurement requirements and how they apply to grantees and subrecipients.

So when we're talking about staff capacity, subrecipient capacity, you know looking through what that subrecipient or grantee can undertake is vital to understand really what procurements are necessary. A city or a county might have a permitting or a code enforcement office or some type of maybe a public works office that might have a staff engineer to help in the design process of projects, but if that's not the case one of the earlier procurement a subrecipient might undertake on an infrastructure project is the procurement of an architect engineer to help get the design moved forward and onto the approval of the project.

So the subrecipient and the state grantee is following 2 CFR part 200 can choose either the RFP, RFQ process for procuring engineers. Customarily the RFQ is the general practice but obviously other state and local regulations might be stricter which is allowing for that request for proposal. But when doing a request for proposal you want to ask for qualifications and costs. When doing a request for qualifications, that's where you're asking for the experience and the expertise and does not rank in score based on costs but the final cost and compensation [td].

If there are [td] clearly outlined [td] provide a clear scope of work [td] and technical evaluation as well as the structure of the [td] process so that all components are clear [td] all associated processes will [td] with the award and selection process. The outcome here is project and design and these [td][55:36] enough after you have your engineer or your local engineer helping design that, your project design is detailed enough to be able to move forward to an accurate environmental review and construction scope of work.

Important, important, important document, document, document. Every component decision, scoring process, selection, notification process and just make sure that your procurement is clearly and logically documented within the file. If a subrecipient or grantee cannot demonstrate the procurement was compliant through the documentation in the file, then the services may be

not be eligible which could result in recapture or denial of some costs. This is a prime example where front-end documentation can help avoid potential challenges down the road.

Next let's talk about environment. [td] CDBG-DR [technical difficult] mitigation are going to be subject to NEPA and 24 CFR Part 58 requirements, required for every dollar of CDBG-DR and mitigation prior to obligating any funds. Understanding the limitations on activities prior to the environmental clearance would be something to consider. Providing clear scope of work, understanding the process, the correct level in an environmental review and required consultations in the estimated timeline is necessary, which you're also able to in some scenarios are able to adopt another federal agency's environmental review much like a FEMA NEPA review.

So again, all CDBG-DR projects and mitigation projects must undergo an environmental review performed prior to the start of a project and before funds are expended on a project. This helps ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health affect on end users. Understanding environmental review and permitting requirements is a critical step in project planning as they impact the budget, timeline and overall viability of the project, as well as additional steps that may need to be taken in order to meet any conditions. The environmental review and clearance is a critical step in the project lifecycle. If there is no environmental clearance by the responsible entity, then the project cannot be moved forward. In the event it's not signed and dated and documented it might not be reimbursed.

So when you're looking at procuring construction contractors, this is the next phase, right, we got our capacity understanding, we're procuring either an architect engineer to help that design scope, we're working on that environmental review. We're getting to the point of once you get your authority to use grant funds you can really start looking at procuring those construction contracts. You know but they must adhere to procurement requirements and we'll go over a few of those key elements.

So obtaining an independent cost estimate before you go out for bid is vital so that you have a pre-procurement understanding of what is reasonable. Like we said, that local engineer or your procured engineer and architect might be able to help you develop that independent cost estimate if that was included in their scope of work when you procured their services.

So next you're going to want to solicit your sealed bids, your formal advertising always ensuring that it's a firm fixed price lump sum or unit price contract. Also making sure that you have a publication period in that sealed bid solicitation published and solicited for the potential bidders to be able to understand that reasonable time frame to respond to that solicitation. You also want to make sure that the solicited sealed bid has a clear description, specification, attachments and scope of work and also include Davis-Bacon or related acts requirements including a current wage determination or decision.

You want to make sure your publicly opening those sealed bids at the time and place [td] outlined in the solicitation and in accordance with your local procurement policies and

procedures always ensuring you're awarding to the lowest responsible bidder. And then lastly, you're going to execute that contract.

So in preparing a contract it's important to include all the requirements that were included in the procurement documents and any additional parameters that will help the subrecipient or grantee manage their contracts. Importantly, all these applicable cross cutting requirements such as the wage rate, wage determination and Section 3 language must be included in their contract. This along with ongoing and additional technical assistance and guidance helps the contractors and the subrecipient to ensure everyone is on the same page and they understand their compliance requirements.

Now that we have our construction contractor under way, we can move on to permitting. So the permits, written authorizations issued by city, county, state, and or federal agencies to construct a project to ensure the safety and the work is compliant with building construction zoning codes and environmental codes and rules. Permits are issued after the plans and specifications of a project are drafted by the architect and engineer. Some of the larger or regional projects will likely require close coordination with multiple jurisdictions and could also require permitting from the Army Corps of Engineers but again building and permitting into the front end timeline and budget is important to help manage expectations and set the project schedule and get those processes moving as early and as feasible as possible.

Also holding preconstruction conferences. You know before starting any work it's a best practice and sometimes required depending on a grantee or subrecipient's procedures to hold a preconstruction conference. So this conference is an opportunity to provide an overview of the general plan of construction operations and other contractual requirements. So during this meeting all applicable labor laws, Section 3, work protection and other contractual compliance requirements are covered such as communication and reporting protocols, payment and progress inspection schedules, the steps for processing and conditions of approval for change orders if those come about and all recordkeeping requirement.

Lastly, you'd want to give your notice to proceed. The notice to proceed is a clean way for a grantee or the subrecipient to formally notify that contractor that they can start work. By including the step in the process it allows the grantee and subrecipient to confirm their files are in order, that all the pieces and permits are in place and all other conditions are being met before starting work.

Moving on to construction management. You know we've gotten our [inaudible] capacity, our procured services. We got our environmental, we got our construction contractor on hand, we got our notice to proceed out. So now we're moving on to construction management. Whichever entity is responsible for the implementation of the project, whether that's the grantee or the subrecipient, that entity is responsible for managing their construction contractors and their vendors. At this point, they have ideally invested a lot of time in preparing the contractor and have set the project up in a way that they know all the compliance requirements that need to be tracked so that once the construction is under way there is a clear and smooth contractor management experience.



Part of this smooth experience comes from front end investment, but it also comes from regular progress inspections, communication and verification of information that the contractor submits in their reports. You know some of the most important compliance requirements must be documented and verified often throughout the construction process. The project progresses in an efficient and effective way and this includes financial oversight and inspection of work.

All contractor costs like all program costs must be allowable and eligible cost, must be reasonable, right, consistent with pre-award costs reasonable determinations. They must be allocable; you know able to legitimately be charged to the grant and documented such as like timesheets. So the only way to verify this is to have regular inspections and to verify the work is being performed per the requirements and per the invoices that are being submitted.

One key compliance aspect that takes place during management of construction is Davis-Bacon compliance. Requirements to meet Davis-Bacon include contractors and subcontractors submitting weekly certified payrolls to the subrecipient's labor compliance officer, also sometimes called LCO. So this LCO is going to be reviewing payrolls and also conducting onsite interviews of workers. Additionally, jobsite notices must be posted onsite, and wage reports reviewed and filed. Often on infrastructure projects there are additional environmental conditions that have to have been met in order to receive environmental clearance. So ensuring those conditions have been met during construction is also important and also must be documented.

So ideally in a perfect world change orders don't happen, but it is sometimes a reality. So changes are unforeseen, circumstances occur and it's important to lay the condition for change orders out clearly in the contract and during the pre-construction conference so the contractor knows what needs to happen in order to [td]. The contractor should update the schedule frequently and the grantee should check in [td] inspector to forecast expenditure of funds, you know making sure that your project schedule's going to marry up with how you envisioned the expenditure and actual reimburse the fund.

And then lastly, we have recordkeeping. The files have to tell the story and how you built the project complies with all applicable regulations and adequate records and documentations are kept. So tell the story. In order to do that you have to document so that when you are ready to report back to HUD on a closeout report you have everything within one basic way, a formatted way and housed in one place.

The next we have project completion. So typical project completion steps are subject to but not limited to -- you know normally you're going to get a certificate of occupancy on some type of housing activity or other verification of completion through some third party final inspection. It's also applicable to any operational permits being obtained. Photos of the final project, environmental conditions being met, labor and Section 3 requirements met, final payment, payment including that retainage if held, release of liens, review of final file to ensure all documentation is included. So the project's now complete, moving on to project closeout.

So at this point, you probably had the ribbon cutting, project has either helped the community recover or it's protected them from a future disaster, and everyone is happy to move on. But now is not the time to try to build your closeout file from scratch. Luckily, you've been documenting,

documenting, documenting the project file from beginning and the closeout should be a breeze. However, there is some major areas that you'll want to make sure are resolved and cleared in your closeout file. Remember, no one may look at this file again for years down the road. So make sure it's clear enough for a stranger to the project to pick up and fully understand.

You know, how do you do that? Documenting, demonstrating all eligible activities are completed and the project meets a national objective is one way. Also project file is fully documented, documented, documented. Budget amendment or reconciliations are completed as applicable. All reporting requirements in the DRG have been completed. Any special conditions have been met. Monitoring findings closed and audit findings closed. And so that's the way you want to document your files for project closeout.

And with that, I think we'll turn to some questions that may have come in during the presentation. So I'll hand it back over to you [inaudible].

Female: Okay. So for this part of the webinar, we're going to transition into the Q&A session and so Kelly I will give that to you.

Kelly Price: All right, thank you. I'm Kelly Price with ICF and I've just been watching the questions come in from the session and we don't have a whole lot of questions. One was around sort of since we have talked a good bit about CDBG-MIT funding and CDBG-DR and some unique practices for CDBG-MIT, we had a question regarding those MIT funds and how those are allocated and can be used. So I think we're fairly clear on that.

One question we just received I was just trying to chat back and forth with our HUD folks on is concerning if a grantee has costs prior to -- I assume what they mean here is sort of executing their grant agreement to do some of the technical analysis or financial analysis that would be appropriate to look into a potential project, how could they pay for that. And my thought was to direct them to the pre-award costs guidance which is in the regulations and any specifics around that and the Federal Register notice applicable to that particular disaster. But HUD folks do you have any other direction or guidance on that? Certainly there's some limitations around that.

Clay Lloyd: Yeah, this Clay. So I just want to second everything you said and then just add that if the question is if there's clear what funds, we do not have pre-award funds but however like Kelly just mentioned pre-award costs, once you get your grant agreement are potentially eligible for reimbursement. So they just need to make sure that they're eligible costs, they're for an eligible activity and that you are making sure that they're undertaken in accordance with the environmental review requirement at 24 CFR 558. So yes, we do allow for reimbursement of pre-award costs, but we don't front end pre-award funds.

Kelly Price: Right, you have to wait [td] the reimbursement and also keep in mind that if you are going to be able to meet all those requirements to reimburse with the CDBG-DR or MIT funds when you receive those that Clay mentioned the really big requirement, all the others would apply as well to CFR200 procurement, financial management and all the other stuff, that environmental review's going to be one of the big ones that would need to be met because you're required to look at your project comprehensively as you complete that environmental review so

you would want to get out of the gate early. The cost of the environmental review itself, Clay, as you've probably have seen, could be eligible also as a pre-award cost but you're going to have a limitation on how much of that that you can do.

We have another question that is more money related I guess that just came in. I think this is a great question. Where we have an example of a county that is contracting with the city within that county to construct a new sewer line but that could be in any type of infrastructure, once a contract is awarded can the county pay the city for the work that's being done or is it better to pay the contractor directly? Is there a preference? So this is really more of an issue of best practices, if you will.

One of my first responses would be you want to sort of follow the legal documents in place and by that I mean who conducted the procurement, who has the contract with the contractor. In my opinion should be the entity paying the contractor. We don't have enough information here to really know that for sure but, Clay, again, I know you've implemented these projects in the field as well as Robby and Lauren, so do you have any sort of best practice guidance when you have multiple local governments involved and how best to sort of have that trail of payments and documentation around those costs?

Clay Lloyd: Sure. So another thing just to think about is making sure you have your contract between these entities in place, whether that's a memorandum of understanding, memorandum of agreement or a subrecipient agreement, so kind of sticking to what you were saying about understanding the relationship more. You need to make sure that you have a contract in place that's clearly delineating who is taking on the project delivery or program implementation and administration activity. And if you are passing them through just know that you don't pass through everything.

So if you're a grantee of the CDBG-MIT funds or CDBG-DR funds, it's still your responsibility to report to HUD on progress and to monitor your subrecipients and [inaudible] so you can partner with another entity to pass on some of the project delivery, administration [inaudible] work but you still need to monitor them. And then, again, we would need to hear more information about that situation but definitely these types of partnership have happened in the past.

Kelly Price: Great. Thank you. Another great question, Robby, because you mentioned labor standards, of course another one of the, I think, the three big ones as I call it when it applies to all projects, but particularly infrastructure is going to be of course your procurement, right, and the environmental requirement and then Davis-Bacon labor standards are going to apply pretty much across the board on those types of projects.

So we had a great question about where to find whether or not there is and where to find helpful information to provide the subrecipients and other parties about Davis-Bacon requirements and information on how they comply with that. And so I'm going to answer back in the Q&A box the link to HUD.gov's office of labor relations information. That is not located on the HUD Exchange, the office of labor relations guidance is all still on the HUD.gov website but there's several tools there.

There's the language that needs to be in all of your procurement documents, your bid packages, your contract documents and any subcontracts with subcontractors so there's some standard contractual language that covers all the Davis-Bacon and related acts. So that's number one.

Number two critical thing for Davis-Bacon is making sure that the applicable and current wage decision or wage determination is included in the bid package and the contract documents and passed on also to subcontractors. So that's really important. So that sort of covers you from the perspective of the legal requirements and making sure those are in the documents and conveyed down the trail of subcontractors.

In terms of helpful documents, HUD's office of labor relations has a couple of little guidebooks that can be downloaded and they're in English and Spanish pertaining for contractors and one for grantees that are not summaries, very sort of summarized all the requirements and sort of what implementation is required during the course of a project. They also have a number of the required posters that need to be posted on the project site. There's a number of those including the wage determination that must be visually present on the project site. And so those are provided and they're downloadable in a PDF format and also currently available in Spanish.

Also the other place I refer folks to is the Department of Labor website, the U.S. Department of Labor website, you can find there very detailed handbooks on Davis-Bacon implementation and other labor laws and that's where you can also find the most updated information regarding the payroll forms and the statements of compliance that are required throughout the duration of the project to document the contractor and the subcontractors are in fact meeting all those requirements.

So pretty much you can create almost a library of all the different regulatory and implementation and compliance rules that you need from both the HUD.gov website as well as the federal Department of Labor website for Davis-Bacon and those related acts [inaudible]. So we'll try to provide those links to you but hopefully that's helpful to folks who maybe haven't dealt with labor before because they haven't maybe done those larger infrastructure projects.

Let's see, what else do you have [inaudible].

Clay Lloyd: Kelly, do you mind if I add just one thing.

Kelly Price: Oh, no, please go ahead.

Clay Lloyd: Yeah. So the one other thing I just want to add to the infrastructure, there's often times work has been done in the past and on a project and from other funding sources and you're starting to develop your scope of work and you're trying to do a project that is a part of that or an expansion of that, just realize we have recent a webinar that we sent out to grantees and grant managers in their various regions that says that we have a letter from the Department of Labor saying we can kind of classify Davis-Bacon requirements we can apply them prospectively from the data, the grant agreement.

So just know that everything that I mentioned is still in effect but we're kind of [inaudible] alternative interpretation where the Davis-Bacon requirements apply prospectively which means going forward in work after the date of grant agreement. And if you have any questions about that you can reach out to the policy and at [inaudible] for your grant managers, your HUD grant managers.

Kelly Price: That's great. Thank you. Couple others we'll throw at you guys. One someone asked and I think I know the answer to this but I'll throw it to you guys, is there a buy American requirement such as was in place during some of the recession funding, the RF funding and what not? Is there a buy American requirement for CDBG-DR or CDBG-MIT? And I'm not aware of one, Clay, but maybe there's anything else you --

Clay Lloyd: Oh, yeah, no. No, it's my understanding as well that there's not a buy American [inaudible] CDBG-DR.

Kelly Price: Okay. All right, great. I've got one that's a little more complex that I don't know that we want to -- regarding environmental assessments and recertifying that. The particular question has to deal with the timing, I guess of when the EA was done relatively to a con-plan cycle. And first and foremost you should talk to your environmental rep in your field office or talk to your DR rep and have them connect you with an environmental rep for your DR grant.

But generally environmental assessments are not tied to a con-plan cycle. They are done separately in a way that is consistent with what that project involves and how long that project is going to take and what the impact of that project is on the environment. So you may want to further again peel apart with your environmental review rep but on the surface, environmental reviews and con-plan cycles are separate and apart from each other and an environmental review should not have a time constrain around it because of a con-plan.

You're supposed to be looking at the environmental considerations and all the requirements in 24 CFR Part 58 and NEFA to do your environmental review. You also technically don't recertify environmental reviews, there's some language in 24 CFR Part 58 about changing conditions and things like that, so I'd direct you to take a look at that and again talk to your HUD rep.

Any other guidance, Clay, on that?

Clay Lloyd: No. Just saying that contact your HUD and grant manager --

Kelly Price: Yeah.

Clay Lloyd: -- your Federal Register notice should have some additional explanation but it's very complex.

Kelly Price: Yeah, each one of those is very different. Question about CDBG-MIT and a period of performance limitation, i.e. should projects be completed within a certain amount of time. I'm going to hand that one to you for sure.

Clay Lloyd: I'm sorry. Could you repeat that question one more time?

Kelly Price: Yeah. A question about period of performance limitation but then they go on to say, i.e. a project must be completed within X number of months. What are the time constraints around the CDBG-MIT project? And funding moroso, I should say.

Clay Lloyd: So is this a question about funding timelines or project performance timeline?

Kelly Price: I just don't have enough information to know.

Clay Lloyd: I think Jen at HUD will be able to answer this one.

Kelly Price: Okay.

Jen: Hi, guys, sorry. Yeah, so mitigation has, because of the unique nature of the funds that I think Lauren mentioned when she was talking about it, we have given grantees additional flexibilities on at least the expenditure funds. So the expenditure deadlines on the funds are six years for 50 percent of the funds and then 12 years for a hundred percent of the funds so that's quite a bit -- that's nearly double what we usually give for DR.

We don't have rules around when projects have to be completed. Our rules are really about spending the funds and grantees will usually find themselves having spent the funds and then having some lag time to really like closeout project, closeout the grant.

And so projects can potentially continue, you just need to plan for that when you're looking at your programs obviously because you want to have some money to be able to keep going with the procedures and the planning and the recordkeeping, that's need to happen for closeout activities. That's just something to think about. But usually are deadlines with our funds in both the DR and the MIT funds are usually around expenditure deadlines.

If that's helpful and if that answers their question. If it doesn't answer it, maybe then can chime back into the Q&A box.

Kelly Price: That's great. Thank you. I'm not seeing any other questions that we haven't either already chatted back on or answered. And we're looking at right at time here. Clay, any parting words or Jen from HUD on infrastructure or from Lauren or Robby?

Clay Lloyd: Yeah, just that this is one part in many parts of our summer webinar series. So if you have any interests in these topics around infrastructure but also other topics around CDBG-MIT and CDBG-DR, go to our website at HUD Exchange and go into the training section and you'll find all our previous webinars on there as well.

Kelly Price: Great. And if you're not already, please make sure you're signed up for the HUD Exchange list serve so that you receive those notices going forward as well as all the other great information that comes out when there's new guidance or we post materials or a clinic or the new Federal Register notices or anything else like that.

So thank you Lauren and Robby and Clay for your presentation and all the hard work that went into that today. I think it was a great topic. And with that we'll close another one out. Thank you to the participants. Again, we'll be posting materials within about two weeks or so, so you'll have the slides, a webinar transcript as well as the recording to refer to on the CDBG-DR website. Thank you all.

(END)