

# **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**

## **COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR)**

### **HAZARD MITIGATION PROGRAM POLICIES**

**FEBRUARY 18, 2026**

Prepared by:

Guam CDBG-DR Program Division



This policy outlines GHURA's CDBG-DR Program rules and guidelines for the CDBG-DR Hazard Mitigation Program. This policy will serve as a central reference point for understanding operations, ensure consistency and clarity on the general guidance on the maintenance and management pertaining to the CDBG-DR Hazard Mitigation Program. This policy will be reviewed periodically and updated as necessary. Therefore, users are strongly encouraged to visit our website: [www.guamcdbgdr.org](http://www.guamcdbgdr.org) to access the latest version.

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## Version Policy

Version history is tracked in **Table 1**, with notes regarding version changes. The dates of each publication are also tracked in this table. The first version of this document is 1.0.

**Table 1.** *Version History*

Date	Version Number	Comments
January 13, 2026	1.0	Original Document
February 18, 2026	1.1	Table of Contents; Overview and definition clarification
March 3, 2026	1.2	Updated section 2.3; section 2.5, 2.6 in reference to Universal Notice.
April 7, 2026	1.3	Appendixes updated with hyperlinks; added GHURA policies with hyperlinks
May 12, 2026	1.4	Clarified Eligibility and Selection criteria language
May 15, 2026	1.5	Appeals process

Substantive changes within this document that reflect a policy change will result in the issuance of a new version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and the issuance of a new primary version number.

Non-substantive changes such as minor wording and editing, or clarification of existing policy, that do not affect the interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number. Such changes would result in a version number such as 2.1, 2.2, etc.

### 1.0 Introduction

This policy is provided to assist Guam through the Guam Housing and Urban Renewal Authority (GHURA), to implement mitigation activities funded with Community Development Block Grant-Disaster Recovery (CDBG-DR) As an insular area, GHURA administers CDBG-DR funds in accordance with the regulatory and statutory provisions governing the CDBG-DR program (24 CFR Part 570, Subpart F), as modified by applicable Federal Register Notice and the Universal Notice. It provides guidance to awardees regarding the general requirements for activities using CBDG-DR Mitigation Set Aside. It is the responsibility of both GHURA CDBG-DR and its and awardees to ensure compliance with all provisions of this policy, federal rules and regulations, and grant award. All parties must also carry out proper and efficient grant administrative practices. All activities must align with applicable federal laws and regulations, including the Housing and Community Development Act of 1974 (42 U.S.C. 5309), as amended, and all relevant cross cutting federal requirements. These include, but are not limited to, Section 109 of the Housing and Community Development Act; Title VI and Title VII of the Civil Rights of 1964 (42 U.S.C. 2000d

et seq) Title VIII of Civil Rights Act of 1968 (Fair Housing Act) ([42 U.S.C. 3601-19](#)); Section 504 and Section 508 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#)); and the Americans with Disabilities Act of 1990 ([42 U.S.C. 12131 et seq.](#)). These requirements ensure that all program activities are conducted in a manner that promotes equity, prohibits discrimination, and ensures accessibility for all individuals, including persons with disabilities. Should questions arise, awardees should immediately contact GHURA's CDBG-DR Mitigation Division.

## 1.1 Definitions

**CDBG-DR: (Community Development Block Grant-Disaster Recovery):** A federally funded grant provided by the U.S. Department of Housing and Urban Development to fund long term recovery efforts following a Presidentially declared disaster. The grant provides funding to rebuild and rehabilitate disaster impacted areas, focusing on housing, infrastructure, and economic revitalization and is guided by Title I of the Housing and Community Development Act of 1974, as amended and those regulations set forth in [24 CFR Part 570, Subpart I](#), may be amended from time to time and all other applicable Federal and State regulations, laws, assurances and Federal Register waivers, notices, and alternative requirements governed by the Appropriations Act. Funding received has been authorized and allocated pursuant to [P.L. 118-158](#) and the January 8, 2025 Federal Register Notice ([90 FR 1754](#)).

**Cost Sharing:** Cost sharing or matching means the portion of the costs of a federally assisted project or program not borne by the federal agency initiating the funding and is expected to be paid from State and or local government funds.

**Covered Project:** For purposes of this notice, a Covered Project is defined as an infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source (CDBG-DR, CDBG-National Disaster Resilience (NOR), CDBG-MIT, or CDBG). For grantees that are considered by HUD to have "unmitigated high risks" that impact their ability to implement large scale projects, HUD may impose special grant conditions, including but not limited to a lower dollar threshold for the definition of a Covered Project.

**Documentation:** All projects funded with CDBG-DR Mitigation funds must obtain and maintain adequate documentation of eligibility and cost reasonableness.

**Duplication of Benefits:** Defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act), a duplication of benefits occurs when: 1) a beneficiary receives assistance for a particular recovery purpose, 2) the assistance is from multiple sources (i.e., FEMA, FHWA, insurance, and local funds), and 3) the assistance amount exceeds the need for the particular recovery purpose thus "duplicating benefits" for the same purpose. The DOB prohibition applies to federally funded programs providing financial assistance "as a result of a major disaster or emergency."

**Eligible Activity:** Each funded activity must meet the HUD definition of an eligible activity as defined at 24 CFR 570.201-207. Additionally, to be an eligible activity under CDBG-DR Hazard Mitigation, each program activity must meet the definition of a mitigation activity as defined in

the CDBG-DR FRN ([90 FR 1754](#)) and meet at least one of the HUD National Objectives defined at 24 CFR 570.208.

**Eligible Costs:** Costs for the activities specified in the awardee agreement for which grant funds are budgeted, provided that such costs are incurred in connection with any activity which is eligible under P.L. 118-158, Federal Register Notice 90 FR 1754 and Title I of the Housing and Community Development Act of 1974, and (ii) conform to the requirements of 2 CFR Part 200.

**Environmental Review:** A comprehensive analysis of the environmental issues, impacts, and performance related to activities for a project undertaken using CDBG-DR funds. The National Environmental Policy Act of 1969 (NEPA) is the basic national charter for the protection of the environment. Per the CDBG-DR FRN ([90 FR 1754](#)), when there is not another federal agency environmental review that can be adopted, GHURA will ensure compliance to complete the environmental review in compliance with 24 CFR Part 58.

**Federal Emergency Management Agency (FEMA):** The Federal Emergency Management Agency ("FEMA") coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made.

**Grant:** An award of financial assistance, in the form of money, by the federal government to an eligible grantee with no expectation that the funds will be paid back.

**Low-and Moderate-Income Area ("LMA") Benefit:** Per CDBG-DR regulations, an area benefit is an activity which is available to benefit all the residents of an area which must be 51% or more low/moderate income households. In order to qualify as addressing the national objective of benefit to LMI persons on an area basis, an activity must meet the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all residents in the area regardless of income. *Low-and moderate-income person*, Per CDBG-DR regulations, is a person considered to be of low income only if he or she is a member of a household whose income would qualify as "low-to-moderate income" under the HUD FY 2025 Adjusted Home Income Limits summary for Guam, which can be found here ([FY 2025 Adjusted Home Income Limits](#)).

**Urgent Need:** Per CDBG-DR regulations, urgent need national objective activities meet the criteria that 1) existing conditions pose a serious or immediate threat to the health or welfare of the community, 2) are of recent origin or have recently become urgent 3) the grantee is unable to finance the activity with its own resources and; no other funding source is available.

**National Objective:** Each activity must meet one of the following national objectives for the program: 1) benefit low-and moderate-income persons, 2) prevention or elimination of slums or blight, or 3) address an urgent need and alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community which are of recent origin or which recently became urgent.

**Project File:** HUD requires that each funded project activity with CDBG-DR funds maintain a project file with sufficient documentation to support determining the project to be an eligible mitigation activity that meets a HUD national objective and that all costs are necessary, reasonable, and allocable to the program in accordance with 2 CFR 200 Uniform Administrative Requirements. Project files can be hard copy, electronic, or a combination of both if they are readily accessible during a monitoring visit.

**Stafford Act:** The Robert T. Stafford Disaster Relief and Emergency Act ("Stafford Act") (42 U.S.C. §5121 et seq.) as amended, authorizes financial and other forms of assistance to the State and local governments and certain Private Nonprofit organizations to support response, recovery, and mitigation efforts following major disasters and emergencies declared by the President of the United States. The Stafford Act describes the declaration process, the types and extent of assistance that may be provided, and fundamental eligibility requirements.

**Awardee:** Entities that are awarded CDBG-DR funds by a grantee, which will be used in carrying out agreed-upon, eligible activities. Awardees may be units of government or nonprofit organizations. These awardees will enter into a formal agreement with GHURA CDBG-DR, which will outline the requirements of the grant funding.

**Unauthorized Alien:** A noncitizen who is not a U.S. Citizen of eligible noncitizen and is therefore generally ineligible for federal public benefits, including public housing. This includes individuals who entered the country without inspection, overstayed a valid visa, or violated the terms of their admission.

**U.S. Department of Housing and Urban Development ("HUD"):** HUD is the federal agency responsible for obligating and disbursing the CDBG-DR funds as well as monitoring grantees. HUD's stated mission is "to create strong, sustainable, inclusive communities and quality affordable homes for all".

## 1.2 CDBG-DR Funding

HUD published its Federal Register Notice [90 FR 1754](#) on January 08, 2025 for allocation of over \$12 billion in CDBG-DR funds for unmet needs including additional mitigation activities for qualifying disasters occurring in 2023 or 2024. Additionally, the Annual Allocation Notice (AAN), which establishes the allocation and applicable requirements for the use of funds. Funds allocated by this notice were made available by the Disaster Relief Supplemental Appropriations Act, 2025 ([Pub. L. 118-158](#)) ("the 2025 Appropriations Act" or the "Universal Notice"). On May 24, 2023 Super Typhoon Mawar ravaged Guam ([DR-4715-GU](#)), allocating \$500,825,000 through (DR-4715-GU) to Guam. \$52,260,000 has been identified for CDBG-DR Mitigation Set-Aside activities. Per [90 FR 1754](#), while the purpose of CDBG-DR funds is to recover from a Presidentially declared disaster, integrating hazard mitigation and resilience planning with recovery efforts will promote a more resilient long-term recovery. Mitigation activities are those that "increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters." CDBG-DR allocations to Guam for these mitigation-specific goals are listed in

Figures 1-1 and 1-2.

### 1.3 Overview of CDBG-DR Mitigation Program

Guam Housing and Urban Renewal Authority (GHURA) identified \$52,260,000 from HUD for mitigation activities to be funded in accordance with Community Development Block Grant-Disaster Recovery (CDBG-DR) funds. To enhance Guam's resilience against the increasing severity and frequency of extreme weather, GHURA CDBG-DR establishes that all proposed mitigation projects must first be identified within the 2024 Guam Hazard Mitigation Plan (HMP). The Hazard Mitigation Advisory Committee, as the appropriate organization of jurisdiction, shall support this process by providing GHURA CDBG-DR with a priority listing to ensure funds are directed toward high-impact initiatives and government priorities. Furthermore, GHURA CDBG-DR will acknowledge agencies or entities with projects not listed in the described HMP who have completed the formal intention process with the Guam Recovery Office, Division of Hazard Mitigation by completing Form 901 (Hazard Mitigation Assistance, Notice of Interest). GHURA CDBG-DR program staff will subsequently utilize the priority listing, the Guam HMP, and successfully submitted notices of Interest, to verify project eligibility. All mitigation activities shall be assessed through feasibility via the GHURA CDBG-DR Online Portal. It shall be considered that any unlisted projects not identified for initial funding may be potentially revisited contingent upon the availability of remaining funds.

**Figure 1-1:** Total Allocation for Mitigation Activities under HUD Allocation of Award

Disaster No.	Grantee	Total Allocation for CDBG-DR Mitigation Set-Aside	Estimated % to Expended in MID Areas	(\$) Allocation to LMI %
4715	Guam Housing and Urban Renewal Authority	\$52,260,000	\$52,586,625	\$15,678,000

**Figure 1-2:** Programmatic Allocation by Activity subject to change pending future availability of funds and Guam's determined unmet needs

Program	Allocation	Percentage
Mitigation Set Aside	\$52,260,000	10.5%
Administration	\$3,266,250	5%
Planning	\$9,798,750	15%
<i>Total:</i>		

*\*Refer to Guam's CDBG-DR Action Plan (Ver. 2.1) pg. 11 as approved by HUD. The figures in this section shall provide allocation guidance to Guam CDBG-DR mitigation activities and are subject to changes based on GHURA CDBG-DR unmet needs and in alignment of the adopted Citizen Participation Policy.*

#### 1.3.1 The Hatch Act

The awardee shall not use any CDBG-DR funds to finance the use of facilities or equipment for political purposes or engage in other partisan activities (e.g., candidate forums, voter transportation, or voter registration). Subgrantees and awardees will comply with the provisions of the Hatch Act that limit the political activity of employees and the Housing and Urban Development (HUD) regulations governing political activity at 24 CFR §570.207.

### **1.3.2 Authorized Employees**

A business entity or employer is prohibited from knowingly employing, hiring, or continuing to employ an unauthorized alien to perform work, either directly or indirectly, for GHURA CDBG-DR. Awardees and Contractors and their Subcontractors, as applicable, shall therefore covenant that it is not knowingly in violation of this requirement, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work on the project, and that its employees are lawfully to work in Guam.

## **1.4 Record Keeping & Retention Requirements**

The general CDBG-DR standard for record keeping is that records must be accurate, complete and orderly. The GHURA CDBG-DR, its awardees, contractors, subcontractors, and partners shall maintain all records required by 24 CFR 570.506 and 2 CFR 200.333 through 2 CFR 200.337, as applicable. Therefore, all responsible parties (as stated above) shall maintain records for three years after grant closeout and must be made available to GHURA and HUD that will include the following;

**1.4.1 Administrative records:** These are files and records that apply to the overall administration of CBDG-DR activities. They include, but not limited to, the following:

- Personnel files.
- Property management files.
- General program files: files relating to the awardee's application to the grantee, the awardees agreement, program policies and guidelines, correspondence with grantee and reports, etc.
- Legal files: articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.

If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

Furthermore, all mitigation activities pertaining to record retention shall be addressed or revert to CDBG-DR Record Retention Policy located on the program website.

### **1.4.2 Financial records**

These include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement policy and files, bank account records, financial reports, audit files, etc.

### **1.4.3 Project/Case files**

These files document the activities undertaken with respect to specific contracts, individual beneficiaries, property owners, and/or properties.

If determined the aforementioned sections are not able to address records concerns, revert to GHURA-DR Recordkeeping and Retention Policy posted on the [website](#).

### **1.5 Conflict of Interest**

All Guam CDBG-DR Hazard Mitigation activities shall comply with the most recent Guam CDBG-DR policies posted on the [website](#).

### **1.6 Fraud, Waste, and Abuse**

All Guam CDBG-DR Hazard Mitigation activities shall comply with the most recent Guam CDBG-DR policies posted on the [website](#).

### **1.7 Citizen Complaints**

GHURA, as the recipient of the Typhoon Mawar CDBG-DR allocation, is committed to an open and transparent process. Applicants, beneficiaries, and citizens may submit a complaint regarding the CDBG-DR program at any time.

This complaint process is consistent with the Guam CDBG-DR Action Plan, all relevant Guam local and federal laws, and the requirements outlined in the applicable Federal Register Notices, including the HUD waiver concerning citizen participation.

The program will provide a timely, substantive response to every formal, written citizen complaint.

- Resolution Timeline: Written complaints will be addressed and a final response will be provided within 15 working days of receipt, whenever practicable.
- Extension Notification: If the complaint cannot be fully addressed within 15 working days, the program will notify the complainant in writing of the need for additional time and provide an estimated resolution or response timeframe. The complainant will receive the extension notification within 15 working days of GHURA CDBG-DR's receipt of the written complaint.

Formal complaints related to the CDBG-DR program must be submitted in writing to the

administering agency, GHURA CDBG-DR, through any of the following avenues:

- Email: [qaqc-dr@ghura.org](mailto:qaqc-dr@ghura.org)
- In Writing/Mail:  
Guam Housing and Urban Renewal Authority (GHURA) CDBG-DR  
Attn: QAQC Administrator  
117 Bien Venida Ave. Sinajana, GU 96910

## **1.8 Appeals Policy/Process**

This policy establishes a fair, transparent, and consistent appeals process for the GHURA CDBG-DR Hazard Mitigation Program. It provides applicants, awardees, and other stakeholders with a formal mechanism to address dissatisfaction with program decisions related to eligibility, award determinations, or other program-related issues, while ensuring full compliance with federal statutes, regulations, and HUD requirements.

This Appeals Process Policy supplements Section 1.7 (Citizen Complaints) of the Hazard Mitigation Policies & Procedures and aligns with the Guam CDBG-DR Action Plan, Citizen Participation Plan, and all applicable Federal Register Notices.

### **1.8.1 Scope**

This policy applies to all potential awardees, and stakeholders participating in or seeking assistance through the CDBG-DR Hazard Mitigation Program.

### **1.8.2 Authority and Limitations**

GHURA shall provide a fair and impartial review of appeals. However, GHURA does not have the authority to approve appeals of statutory, regulatory, or HUD-specified CDBG-DR requirements, including but not limited to:

- Federal statutes (e.g., Housing and Community Development Act of 1974)
- HUD regulations (24 CFR Part 570)
- Federal Register Notices and waivers (e.g., 90 FR 1754)
- National Objectives
- Eligible activities
- Duplication of Benefits (DOB) prohibitions
- Environmental review requirements

Appeals based solely on requests to override these mandatory requirements will be denied.

### **1.8.3 Grounds for Appeal**

A written appeal may be filed when an individual or entity is dissatisfied with:

- Program eligibility determinations
- Denial of an application
- Interpretation or application of program policies and procedures

- Other program-related decisions affecting the appellant

**1.8.4 Filing an Appeal**

- Appeals must be submitted in writing.
- The appeal must include:
  - Appellant’s full name, contact information (email, phone, mailing address)
  - Project name and application ID
  - Clear statement of the decision being appealed
  - Statement of facts and circumstances
  - Supporting documentation substantiating the claim
- Appeals must be filed within 30 calendar days of determination notice
- Appeals may be submitted via email to: [fixinsix@ghura.org](mailto:fixinsix@ghura.org)

**1.8.4a Level 1 Review – Program Supervisor**

1. Upon receipt, the appropriate Program Supervisor (or designee) will acknowledge receipt of the appeal.
2. The Program Supervisor will conduct a thorough review of the appeal, relevant program records, and applicable policies.
3. GHURA will issue a written response/initial decision (which may be sent by email) within fifteen (15) working days of receipt.
4. If additional time is required, GHURA will notify the appellant in writing within the initial 15-working-day period, documenting the reason for the extension. The review period may be extended by up to ten (10) additional working days.

**1.8.4b Final Appeal to CDBG-DR Grants Manager**

1. If the appellant is dissatisfied with the initial decision, they may submit a final appeal to the CDBG-DR Grants Manager within ten (10) working days of receiving the response from the Program Supervisor.
2. The final appeal must clearly state the basis for disagreement with the Program Supervisor’s decision and include any additional supporting information.
3. The CDBG-DR Grants Manager will conduct an independent review and issue a final written determination within thirty (30) working days of receipt of the final appeal.
4. The decision of the CDBG-DR Grants Manager is final at the GHURA level.

**Administrative Structure**

Role	Responsibility
<b>Applicant</b>	Responsible for filing an appeal within 30 calendar days of the determination notice and providing a written explanation and supporting documentation.

<b>Role</b>	<b>Responsibility</b>
<b>Program Coordinator</b>	Verifies appeal submission timeline, prepares the appeal review package, updates case statuses in Neighborly, and maintains documentation in the applicant file.
<b>Program Supervisor</b>	Conducts the Initial Appeal Review and issues the Initial Appeal Determination
<b>CDBG-DR Grants Manager</b>	Conducts the Final Appeal Review and issues the final appeal determination.
<b>Neighborly System</b>	Tracks case status updates and sends automated notifications related to appeal submissions and determinations.

**1.8.5 General Provisions**

- Written Record: All appeals, responses, and related documentation will be maintained in the official project or program file and retained in accordance with CDBG-DR record retention requirements.
- No Retaliation: GHURA prohibits any form of retaliation against individuals who file a good-faith appeal or complaint.

**1.8.6 Contact Information**

All appeals and related correspondence should be directed to:  
 Email: [fixinsix@ghura.org](mailto:fixinsix@ghura.org)

Mailing Address:  
 Guam Housing and Urban Renewal Authority (GHURA) CDBG-DR  
 Attn: Appeals / QAQC Administrator  
 117 Bien Venida Ave.  
 Sinajana, GU 96910

For questions regarding this policy, contact the CDBG-DR Program Coordinator or Grants Manager.

**2.0 Hazard Mitigation Project Overview & Implementation**

Projects will be reviewed and must document compliance. An overview of the Hazard Mitigation Program process (including project description, procurements, implementation, and close out) include:

- **Project Scope:** Covers project identification, prioritization, planning, project outreach, implementation and compliance for hazard mitigation projects under CDBG-DR program, ensuring alignment with local and federal guidelines and integration with the Guam HMP.

- **Eligibility and National Objective:** Verify project is an eligible CDBG-DR Hazard Mitigation project and activities are eligible per HUD CDBG-DR Federal Register Notices and 24 CFR 570 and meets a National Objective
- **Duplication of Benefits Analysis:** 1) Identify all assistance received for the project; 2) Determine if other assistance received duplicates benefits of the CDBG-DR funds; and 3) Include supporting documentation for duplication of benefits (DOB) analysis. See appendix section.
- **Environmental Review:** 1) Ensure CDBG-DR projects follow environmental process outlined in 24 CFR Part 58 and 24 CFR 1500 through 1508 as well as follow the National Environmental Policy Act (NEPA) 42 U.S.C § 4321 et seq. 2) Other environmental state laws and regulations. GHURA will be responsible for conducting Environmental reviews for all projects.
- **Historic Preservation Review:** 1.) Ensure CDBG-DR projects are in compliance with section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. 306108) and in compliance with 24 CFR 58.5 (a).
- **Property Acquisition and URA:** 1) If project requires acquisition of Real Property, begin acquisition process per HUD Handbook 1378; 2) If property will be acquired through eminent domain or has tenants, document all URA notices and requirements are met.
- **Procurement of Design/Build Service:** Procurement of design/build services for CDBG-DR funded activities, including hazard mitigation projects, will be conducted in full compliance with 2 CFR 200.318 through 200.327, 24 CFR Part 570, and all applicable HUD CDBG-DR notices and waivers.
- **Construction, Construction Management, and Close-out:** 1) Once property is acquired, begin construction and implement construction oversight; 2) Document inspections, progress reports/photos, and invoice approvals and payments to contractors; 3) Document final inspections, obtain permits and as-builts, and complete final file review.

## 2.1 National Objective(s)

Benefiting Low-to-Moderate-Income Individuals: The mitigation activity and project must mitigate hazards and disasters to residents in a Low-to-Moderate Income Area as defined in the Action Plan or the hazard being mitigated benefits households or persons where at least **51%** of those residents are LMI persons. Documentation must include the specific percentage of LMI residents in the area and the data source used to determine that calculation.

Urgent Need: To alleviate existing conditions that that pose a serious and immediate threat to the health or welfare of the community and that these conditions are of recent origin, and the grantee is unable to fund the activity on their own, and other funding sources are not available.

Unless a grantee has received prior approval from HUD, CDBG-DR activities cannot meet the CDBG national objective for the elimination of slum and blight as provided at 24 CFR 570.208(b) and 24 CFR 570.483(c). Grantees shall not rely on the national objective criteria for elimination of slum and blighting conditions without approval from HUD because this national objective generally is not appropriate in the context of mitigation activities.

## **2.2 Additional criteria applicable to all mitigation activities funded with CDBG-DR**

The provisions of 24 CFR 570.483(e) and 570.208(d) are modified by an alternative requirement in the CDBG-DR FRN to add the following additional criteria for all mitigation activities funded with CDBG-DR funds.

- Demonstrate the ability to operate for the useful life of the project. Each awardee must plan for the long-term operation and maintenance of infrastructure and public facility projects funded with CDBG-DR Mitigation funds. The awardee must have a plan to fund the long-term operation and maintenance for CDBG-DR projects. Funding options might include State or local resources, borrowing authority, or retargeting of existing financial resources.
- Be consistent with other mitigation activities. The CDBG-DR activity must be consistent with the other mitigation activities that the grantee will carry out with CDBG-DR funds. To be consistent, the CDBG-DR activity must not increase the risk of loss of life or property in a way that undermines the benefits from other uses of CDBG-DR funds.

Grantees must maintain documentation of the measurable and verifiable reduction in risk that will be achieved upon completion of the activity. Guam CDBG-DR Action Plan must be amended, as necessary, to ensure that this information is included for each activity undertaken with CDBG-DR funds.

## **2.3 Verifying Project Eligibility and National Objective**

GHURA CDBG-DR must demonstrate that CDBG-DR Mitigation activities:

- Are listed in Section 6 of the 2024 Guam Hazard Mitigation Plan (HMP) or is a project intended to be placed on the Guam Hazard Mitigation Plan (HMP) documented through the Form 901, Notice of Interest.
- Meet the definition of mitigation activities;
- Address the current and future risks as identified in the grantee's Mitigation Needs Assessment;
- Are activities that increase resilience to disasters and reduce or eliminate 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;
- Are CDBG-eligible activities under title I of the HCDA or otherwise eligible pursuant to a waiver or alternative requirement; and
- Meet a national objective, including additional criteria for mitigation activities and Covered Projects.
- GHURA can use CDBG-DR funds for activities that meet these criteria even when it also responds to a remaining unmet recovery need arising from a qualified disaster that served as the basis for the GHURA's CDBG-DR mitigation set-aside allocation.
- GHURA CDBG-DR may assess mitigation activities using the GHURA CDBG-DR Mitigation Grading Rubric for analytical purposes and may be used to determine future funding for projects to meet timely expenditure deadlines.

## 2.4 Geographic Eligibility

Projects must benefit the area designated by HUD as the most impacted and distressed areas. GHURA is required to expend at least 10.5% or \$52,260,000 of the total CDBG-DR allocation (\$500,825,000) on eligible CDBG-DR mitigation projects and activities on the aforementioned HUD- designated MID areas:

- All of Guam is designated as MID

## 2.5 Project Development & Description

When implementing any CDBG-DR eligible project, developing a comprehensive project description that demonstrates how the activity meets an applicable CDBG-DR national objective is required. Each project must clearly document the activity's eligibility as a CDBG-DR mitigation project. It must also provide sufficient detail to describe how the project will be carried out in full compliance with all HUD program requirements and applicable cross cutting Federal regulations.

The project description will need to address all the CDBG-DR requirements. These requirements are described below.

**Eligible Mitigation Activities:** All activities funded under CDBG-DR Hazard Mitigation Set-Aside must qualify as mitigation activities per HUD's definition in the Federal Register Notice (90 FR 1754 and subsequent updates).

To be eligible, each activity must clearly demonstrate that it will:

- Increase resilience to disaster
- Reduce or eliminate the long-term risk of life, injury, damage to loss of property, suffering and hardship; and
- Lessen impact of future disasters

**Ineligible Activities:** Pursuant to [24 CFR Part 570.207](#), ineligible activities that may not be assisted with CDBG-DR funds are as follows:

1. Buildings or portions thereof, used for the general conduct of government
2. General Government expenses
3. Political Activities

The following activities may not be assisted with CDBG-DR funds unless authorized under provisions of [§570.203](#) or as otherwise specifically noted herein or when carried out by an entity under the provisions of [§570.204](#).

1. Purchase of Equipment
2. Operating and Maintenance expenses

3. New Housing Construction
4. Income Payments

Any and all ineligible activities can be found and referred to within [24 CFR Part 570.207](#)

## **2.6 Eligible Mitigation Projects**

A CDBG-DR mitigation project must document that the activity will meet HUD's definition of an infrastructure project. The CDBG-DR FRN provides the following definition for an infrastructure program:

Infrastructure mitigation programs may include regional investments in risk reduction for flood, fire, wind and other hazards to develop disaster-resistant infrastructure; upgrading of water, sewer, solid waste, communications, energy, transportation, health and medical, and other public infrastructure to address specific, identified risks; financing multi-use infrastructure; and green or natural mitigation infrastructure development.

## **2.7 Cost Verification**

Each project file must describe its controls for assuring that construction costs are reasonable and consistent with market costs at the time and place of construction. GHURA CDBG-DR may use an independent, qualified third-party architect, construction manager, and/or other professional (e.g., a cost estimator) in addition to GHURA Architectural and Engineering staff to verify the planned project costs and cost changes to the contract (e.g., change orders) during implementation are reasonable.

The method and degree of analysis may vary dependent upon the circumstances surrounding a particular project (e.g., project type, risk, costs). All project files must contain sufficient documentation to support cost reasonableness determination in accordance with [2 CFR 200.404](#) and HUD CDBG-DR requirements

## **2.8 Covered Projects**

Guam does not have a CDBG-DR mitigation project that meets the definition of a Covered Project in the CDBG-DR FRN ([90 FR 1754](#)). HUD defines a mitigation Covered Project as a mitigation project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source (CDBG-DR, CDBG-National Disaster Resilience (NOR), CDBG-MIT, or CDBG)). Based on the amount of awarded CDBG-DR funds, Guam does not have any identified Covered Projects at the current point in time, as of the most recent publication of this policy.

## **2.9 Eligible Activities**

All activities to be funded by the CDBG-DR mitigation set-aside allocation must be an eligible mitigation activity that meets a HUD national objective. Programs must qualify as an eligible

activity as defined by HUD. The eligible activities for this program are:

**HCDA Section 105(a)(12): Planning and Capacity Building:** Activities necessary to develop a comprehensive community development plan, and develop a policy-planning- management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation. In addition eligible HUD infrastructure activities are listed in 24 CFR 570.201 (c) and further defined for the CDBG-DR Mitigation funds in [90 FR 1754](#). Below are the specific eligibility requirements for infrastructure which is considered a "public facility" under the regulations.

**24 CFR 570.201 (c) Public Facilities and Improvements:** Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in §570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in §570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG-DR assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in §570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and awardees including those specified in §570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or awardees, they shall be operated to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in §570.200(b).

## **2.10 Duplication of Benefits (DOB) Analysis**

GHURA CDBG-DR, in compliance with the CDBG-DR FRN and the Robert T. Stafford Disaster Relief and Emergency Act, will complete a duplication of benefit analysis for all mitigation projects to ensure that CDBG-DR funds do not duplicate other sources of funding for the same activity.

A Duplication of Benefit occurs when:

- An awardee receives assistance, and
- The assistance is from multiple sources, and
- The assistance amount exceeds the need for a recovery purpose. In order to ensure that

CDBG-DR funding is spent on eligible activities, GHURA is responsible to verify that each program provides assistance to a person or entity only to the extent that the person or entity has a mitigation need that has not been fully met by funds that have already been, or will be paid, from another source.

More information on Duplication of Benefits can be found on the Duplication of Benefits Worksheet (Appendix C) and CDBG-DR [Duplication of Benefits Policy](#)

## **2.11 Potential DOB Sources**

The following are a list of sources of funding assistance to be considered in a duplication of benefits review:

- FEMA National Flood Insurance Program ("NFIP")
- U.S. Army Corps of Engineers ("USACE")
- U.S. Department of Transportation, including the Federal Highway Administration ("FHWA") and the Federal Transit Administration ("FTA")
- Federal Economic Development Agency ("FEDA")
- Federal Emergency Management Agency ("FEMA")
- Private Insurance
- Any other funding source that may duplicate assistance

GHURA staff must perform and complete a DOB Analysis for every project funded by CDBG-DR mitigation through the DOB worksheet found in **Appendix C: Duplication of Benefits Worksheet**

## **2.12 Subrogation Agreement**

A subrogation agreement will be used to ensure recapture if a Duplication of Benefit (DOB) occurs. This agreement must be signed prior to allocation for award. An awardee must complete a subrogation agreement for every project covered by CDBG-DR funds.

## **3.0 Environmental Review & Environmental Assessment**

All hazard mitigation activities funded under the CDBG-DR program must comply with the National Environmental Policy Act (NEPA) and related federal environmental laws and authorities. This policy ensures that environmental reviews are completed in accordance with 24 CFR Part 58 (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities) prior to any commitment of CDBG-DR funds or undertaking of project activities. The purpose of the environmental review process is to identify potential environmental impacts, incorporate hazard mitigation and resilience measures that avoid or minimize adverse effects, and ensure compliance with applicable federal, state, and local environmental requirements. Early integration of environmental considerations supports the selection and design of projects that reduce disaster risk while protecting natural and human environments.

No CDBG-DR funds will be obligated, and no physical activities (including acquisition,

demolition, construction, or design/build services) will begin until the appropriate level of environmental review has been completed, a Finding of No Significant Impact (FONSI), Categorical Exclusion, or other clearance has been issued, and all required mitigation measures have been adopted.

### **3.1 Environmental Review**

All GHURA CDBG-DR Mitigation Activities will comply to the following environmental regulations:

- [40 CFR Part 1500-1508](#) (Regulations for Implementing the National Environmental Policy Act)
- [24 CFR Part 58](#) (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities)
- [24 CFR Part 51](#) (Environmental Criteria and Standards)
- [24 CFR Part 55](#) (Floodplain Management)
- [24 CFR Part 35](#) (Lead Based Paint Rule)
- [36 CFR Part 800](#) (Protection of Historic Properties)

### **4.0 Procurement**

CDBG-DR funds shall be subject to GHURA CDBG-DR procurement policy and procedures, as authorized by Guam Procurement Law Title V, Division 1, Chapter 5 of the Guam Code Annotated, federal general procurement standards at 2 CFR Part 200.318, HUD Cross-cutting Requirements, and HUD Rider. See GHURA's CDBG-DR [Procurement Policy and Procedures](#) which can be found on our website at (<https://guamcdbgdr.org/>)

### **5.0 Program Requirements and Implementation**

#### **5.1 Eligibility Criteria and Selection**

Eligible hazard mitigation projects under the CDBG-DR program must reduce or eliminate long-term risk to life and property from natural hazards while meeting all federal CDBG-DR requirements, including eligible activities under Title I of the Housing and Community Development Act, a national objective (Low-and-Moderate-Income benefit or Urgent Need). Potential projects may be proposed at any time by eligible applicants using the Guam Recovery Office, Form 901 – Hazard Mitigation Assistance, Notice of Interest. Projects not initially included in the Guam Hazard Mitigation Plan (HMP) may be considered later, subject to availability of funds and successful incorporation into the plan.

Guam Recovery Office, Hazard Mitigation Division reviews all proposals for consistency with the Hazard Mitigation Plan objectives, and mitigation potential. Note: that FEMA eligibility is not required for inclusion under the CDBG-DR Hazard Mitigation program.

The Guam Hazard Mitigation Advisory Committee provides GHURA CDBG-DR with a priority listing of projects from amongst the Guam Hazard Mitigation Plan (HMP) and projects intended

to be placed on the HMP. GHURA CDBG-DR staff will review this listing and further prioritize projects benefiting Low-to-Moderate Income households in an amount of at least \$15,678,000 (30%) of the CDBG-DR Mitigation Set-Aside allocation. Responsible staff will conduct final eligibility verifications and project feasibility determinations prior to funding. This review process evaluates a project/activity's consistency with the Action Plan, National Objectives, and technical and environmental feasibility.

### **5.1.1 Project Narrative Summary**

Project Narrative Summary include:

Project objectives and priority considerations, how the project proposed activities advance communities' efforts to effectively recover and/or avoid loss from the effects of wildfire, earthquake, or flood and build resilience to anticipated impacts from future disaster events notated in the 2024 Guam Hazard Mitigation Plan and the Guam CDBG-DR Action Plan.

### **5.1.2 Eligibility and Feasibility**

GHURA CDBG-DR will initiate the Mitigation program by opening an Eligibility Determination Portal for 30 days, Project proposals will be reviewed by GHURA CDBG-DR program staff for eligibility. Once a project is determined to be an eligible project, designated GHURA and GHURA CDBG-DR staff will determine project feasibility. Technical Assistance will be provided to entities that are close to ready to proceed projects that will improve project readiness and support a continuous pipeline of viable mitigation activities.

### **5.1.3 Planning Activities**

The CDBG-DR Hazard Mitigation Planning allocation is \$9,798,750 and will be used to support local, regional and statewide mitigation planning efforts. Planning funding can be used for: land use planning, hazard mitigation planning, modernization and resiliency planning, upgrading mapping capabilities, and other plans. For Local Planning and Hazard Mitigation Planning, GHURA CDBG-DR may accept project proposals subject to funding availability. Spending through these programs is expected to continue for most of the life expectancy of the grant. Additional information and details about the application process as it pertains to these can be found in the GHURA's CDBG-DR Action Plan.

### **5.1.4 Informing Applicants of Application Status**

GHURA is responsible for the implementation of the CDBG-DR programs and eligible activities including strategic means of communicating with program applicants. GHURA's implementation of this Mitigation Program that will provide assistance to eligible applicants. For applicant communication under this program, GHURA and its contractors are committed to sharing timely and accurate information throughout the lifecycle of the program. GHURA A/E or authorized party will perform required inspections and scope of work internally, with the CDBG-DR program staff overseeing and coordinating all compliance assessments. GHURA CDBG-DR will include

standard communication requirements in the solicitation for program implementation services.

To ensure effective and systematic communication, GHURA CDBG-DR will host and maintain a web-based portal for applicants to access their application status at any time in the process. Additionally, GHURA CDBG-DR will gather information from each applicant during the critical intake process that will be used for communication purposes. These communication methods include:

- Personal interface meetings with applicants;
- Mailings to the most current and valid mailing address(es);
- Emails to primary and secondary email addresses; and
- Phone calls to primary and secondary phone numbers or designated project point-of-contact

GHURA utilizes its CDBG-DR [website](#) to share overall grant updates, publication of action plan amendments, and other critical grant information.

Furthermore, GHURA has made the Action Plan available online at the CDBG-DR program's website (<https://guamcdbgdr.org/>) The website will include the following:

- Summarizes the CDBG-DR program
  - Includes the Action Plan, Action Plan Amendments
- List of all programs and projects funded by the CDBG-DR program
- Lists all procurement policies and activities
  - Includes notice of active procurements
  - Includes a list and summary of all contracts procured with CDBG-DR funds
- Citizen Participation Plan
- List of CDBG-DR policies and procedures, including:
  - Anti-Fraud, Waste, and Abuse Policy
  - Complaint and Appeals policy
- Public Meeting Notes
- Program Guidelines, including applications, required forms, and contact information

Updates to the website will be made regularly in alignment with any activity associated with the CDBG-DR program and Guam CDBG-DR Citizen's Participant Plan. Any document created in support of the CDBG- DR program will be added to the public website upon approval.

### **5.1.5 Accessibility and Privacy of Applicant Information**

The Privacy Act of 1974 (5 U.S.C. §552a) requires US federal assistance grantees like GHURA to establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience or unfairness to any individual on whom information is maintained.

As applicable, GHURA CDBG-DR adheres to established procedures for the protection of Personally Identifiable Information (PII), through its Standard CDBG-DR Personally Identifiable Information Policies & Procedures and as outlined in 24 CFR Subpart B, and GHURA requires that inter- government recipients and contractors comply with these requirements and protocols where necessary to safeguard an applicant's privacy. PII includes names, addresses, income-related documents, disability status, employment status, and other information from applicants and beneficiaries. GHURA CDBG-DR will limit the collection of extraneous personal information, gathering only what is minimally required by regulatory and program guidelines. GHURA CDBG-DR will be subject to §5.238 Criminal and civil penalties, among others, in which persons who violate the provisions of 42 U.S.C. 3544 or 26 U.S.C. 6103(1)(7) with respect to the use and disclosure of income information may be subject to civil or criminal penalties under 42 U.S.C. 3544(c)(3), 26 U.S.C. 7213(a), or 18 U.S.C. 1905.

GHURA CDBG-DR releases records containing PII upon request to federal and state auditors in accordance with the auditors' requirements and to other federal or state agencies if coordination with these entities is necessary to process an application for assistance. The provision & protection of all PII will be conducted in accordance with US HUD's regulations and GHURA's established PII policies and procedures. If records containing PII are subject to [Freedom of Information Act](#) or [Guam Sunshine Reform \(5 GCA Ch. 10\) Act](#) requests, such records shall only be released in accordance with laws, respectively. Representatives of HUD, HUD's Inspector General, and the Comptroller General of the United States will have the right to access any document, paper, or other record pertinent to a CDBG-DR award to complete audits, examinations, excerpts, and transcripts. This information also includes access to PII.

#### **5.1.6 Responsible Sections/Personnel**

For all CDBG-DR mitigation activities and communications, the CDBG-DR Program Coordinator II/I oversees the program and is responsible for ensuring communication is accurate and sent in a timely manner. Moreover, the CDBG-DR Program Coordinator III will ensure that projects are compliant with GHURA and HUD requirements.

#### **5.1.7 Award Acknowledgement Process**

Once the application has been determined to be complete and all documentation has been provided, the applicant and submitted project will be processed through Eligibility Determination, and Project Feasibility ensuring that all activities involved in the project are eligible under CDBG-DR mitigation, no supplanting or duplication of funds is involved in the project, and that the project and applicant can clearly identify and meet a CDBG-DR National Objective utilizing quantifiable data and clear and concise project abstract and narrative. Once a project has been determined to be eligible for the program, the duplication of benefits analysis has been performed and verified, and the award amount has been calculated, GHURA CDBG-DR Mitigation issues an award letter, via email to the entities designated upon formal approval of proposed project by the GHURA CDBG-DR Grant Manager and contacts the applicant to discuss and implement final award proceedings as determined by CDBG-DR staff.

### **5.1.8 Pre-Award Review and Final Approval**

Prior to approving Eligibility and Feasibility and issuing an award letter, a review is completed to ensure all program requirements have been met and all required processes described in this policy have been completed, including, but not limited to:

- Eligibility verification
- Duplication of Benefits Calculation
- Hazard Mitigation Plan or Inclusion
- Low-to-Moderate Income Benefit (or other)
- Feasibility
- Timeliness

### **5.2 Awardee and Intergovernmental Agreements**

GHURA CDBG-DR will enter into a Memorandum of Agreement (MOA) with the Awardee constituting a conditional commitment of funds. These agreements define financial and development management requirements as well as remedies to correct deficient or non-compliant projects. The agreement also contains GHURA CDBG-DR recapture provisions for non-performance or breach of Awardee responsibility on any requirements, including adherence with CDBG-DR rules and regulations. The MOA contains, but not be limited to, the following:

- A description of the Awardee's program implementation responsibilities;
- The amount and terms of the funding;
- The amount of Activity Delivery Costs per project;
- Provisions governing the project work;
- Terms and conditions required by federal or state law;
- The approved schedule of the program that is aligned with Federal Register Notice ([90 FR 1754](#));
- The approved program budget;
- Manner, timing and conditions for disbursement of project funds;
- Reporting and recordkeeping requirements, defining the specific reports and the reporting dates, along with the particular records and the timeline for maintaining them in order to assist GHURA in meeting HUD's recordkeeping and reporting requirements.
- Attribution of the project to GHURA CDBG-DR and HUD in materials and publications;
- Terms and conditions for the monitoring of the project in order to verify compliance with the requirements of the program;
- Provisions regarding the recapture of funds; and
- Other provisions necessary to ensure compliance with the requirements of the CDBG-DR

#### **5.2.1 Pre-Construction Process**

*This section is currently under refinement to ensure full compliance with applicable federal and local laws, regulations, and program requirements. As such provisions herein may be updated,*

*clarified, or modified as additional guidance becomes available.*

Upon formal execution and agreement of awardee and intergovernmental agreements, the project will officially transition into the Pre-Construction Process. During this process several activities are undertaken to prepare the project for commencement of physical construction.

Key activities within the pre-construction process include but are not limited to, the following:

1. GHURA Architecture and Engineering (A&E): The program administered by GHURA CDBG-DR, assigns a qualified and program-vetted A&E staff member to oversee the execution of the construction project.
2. Construction Manager/Contractor Procurement: GHURA CDBG-DR will procure a licensed or qualified contractor to complete construction activities for awardees who have been formally deemed eligible and awarded project funding. Contractors shall be formally awarded to administer eligible activities, in compliance with Guam procurement law and GHURA CDBG-DR Procurement Policy
3. Surveying and Engineering Design: GHURA CDBG-DR arranges for the property survey and completes the necessary engineering designs and architectural plans for the project scope, as applicable.
4. Finalized Cost Estimation: GHURA CDBG-DR will conduct a final site visit to validate and finalize the comprehensive construction cost estimate.
5. Pre-Construction Briefing: The program shall convene a formal meeting with the primary Point of Contact of the stakeholder agency/organization to review all essential items pertaining to the construction process, project timelines and communication protocols.
6. Permitting and Approvals: The procured Contractor shall be responsible for obtaining all requisite permits and regulatory approvals necessary to execute the approved construction scope of work in full compliance with Guam local codes and federal regulations.

During this phase, total cost benefit shall be identified and will be taken into consideration of program limits.

*This section is currently under refinement to ensure full compliance with applicable federal and local laws, regulations, and program requirements. As such provisions herein may be updated, clarified, or modified as additional guidance becomes available.*

### **5.2.2 Construction Manager Procurement**

The program shall determine licensed and/or qualified contractors to execute all eligible construction work. Contractors shall be assigned to complete construction services for stakeholders who have been formally deemed eligible and awarded project funding.

Contractors shall be formally assigned by the program, administered by GHURA CDBG-DR, to each project only subsequent to the execution of the awardee and intergovernmental agreements.

GHURA CDBG-DR's Procurement Officer retains sole authority to assign projects to Contractors based on objective criteria, including the Contractor's documented performance history on prior

program construction projects and the Contractor's demonstrated capacity and risk assessment to accept and execute additional work at the time the project is ready for assignment.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by the awarded agency or organization not identified through program procedures or not in line with program policy.

### **5.2.3 Cost Estimation and Scope of Work**

All costs incurred by the program must strictly adhere to the cost principles outlined in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ([2 CFR Part 200 Subpart E](#)). The program incorporates developed construction standards directly into the baseline pricing into each construction project.

1. Initial Package: The program shall provide the selected Contractor with a preliminary scope of work.
2. Site Evaluation: The Contractor must visit each subject project site to thoroughly evaluate site-specific conditions that require integration into the program's final cost estimate. The designated Point-of-Contact or identified alternate Point-of-Contact may be required to attend this site visit.
3. Scope Submission: Following the site visit and the incorporation of all necessary site-specific line items and the scope of work, the Contractor shall submit the finalized scope to the program for comprehensive review and approval.

The program must formally approve each scope of work prior to the Contractor initiating any physical construction activities. Once approved, the program scope of work is considered final and may only be modified through a fully executed, written Change Order.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work completed or requested by the awarded agency/organization not identified through program procedures or not in line with program policy.

### **5.2.4 Pre-Construction Meeting**

Following the formal approval of the Scope of Work, by the program, the Contractor and GHURA CDBG-DR staff member shall jointly convene a pre-construction meeting with the awarded agency/organization.

The primary directives of this meeting are to formally orient the awardee, regarding the immediate next steps, furnish the awardee with the finalized construction documentation and address any construction related inquiries the awardee may possess.

The pre-construction meeting must include, but is not limited to, coverage of the following key topics:

1. Awarded Agency/Organization Responsibilities: Both Awardee and Contractor will be provided with a formal written document clearly outlining the specific responsibilities incumbent upon the awarded agency/organization during the construction phase.
2. Formal Scope of Work: GHURA CDBG-DR staff will present the awarded agency/organization with a copy of the program approved scope of work.
3. Staff Required at meeting: CDBG-DR Mitigation Program Staff, CDBG-DR Planning staff, CDBG-DR Procurement Officer, GHURA A&E staff, Point-of-Contact for awardee agency/organization, Procured Contractor.

### **5.2.5 Construction**

- *This section is currently under refinement to ensure full compliance with applicable federal and local laws, regulations, and program requirements. As such provisions herein may be updated, clarified, or modified as additional guidance becomes available.*

Contractors and projects awarded by CDBG-DR are strictly authorized to execute only those construction activities duly detailed within an approved program scope of work or formalized via an approved Change Order. Awardee requests for upgrades, modifications, or supplemental work shall not be considered.

Program scope of work may incorporate activities that are in compliance with applicable provisions of the Universal Notice (FR6489-N-0) and 24 CFR 570. Program scope of work may incorporate the following categories of eligible activities:

1. Flood proofing and site hardening
2. Rehabilitation and Reconstruction
3. Installation of generators, sump dumps or backflow preventers, alternate power resources
4. Rehabilitation, reconstruction, or new construction incorporating mitigation standards
5. Access improvements for safe ingress and egress
6. Water, wastewater, and drainage system improvements
7. Flood control and stormwater management systems
8. Road and transportation upgrades that reduce erosion and flooding risk
9. Hardening of public facilities and critical infrastructure
10. Utility system resilience
11. Property acquisition
12. Structural retrofits
13. Erosion control
14. Wildfire mitigation (where applicable)

All construction work completed by the program will exclusively utilize standard builder-grade materials, regardless of the quality of preexisting materials. Applicant-requested upgrades, additions or modifications to the approved construction scopes of work will not be considered.

GHURA CDBG-DR shall act as sole authorized project manager and shall not honor any work

completed or requested by the end user not identified through program procedures or not in line with program policy.

### **5.2.6 Progress Inspections**

All program construction projects are subject to mandatory quality assurance inspections: GHURA Inspectors and Engineers shall conduct routine visits to monitor progress against the approved scope of work.

### **5.2.7 Compliance Framework**

- Wage Determination: Contractors must adhere to federal, and local labor laws and regulations (Davis - Bacon Act)
- Section 3 Compliance: Priority is given to low-income residents and Section 3 business concerns for employment and contracting.
- Certified Payroll: Weekly submission of certified payroll reports is required to verify wage compliance
- Occupational Safety and Health Administration (OSHA) compliance

### **5.2.8 Reporting Requirements**

GHURA CDBG-DR and Awardees establish program targets and benchmarks and the awardee is required to report data on a monthly basis to GHURA. Awardees must submit the information electronically. Awardees are required to submit reports at times indicated in the agreement, in accordance with GHURA CDBG-DR and HUD reporting requirements.

Should Grants Management not capture report requirements the MOA at a minimum, during the term of the agreement, on a monthly basis the Awardee submits to GHURA a monthly progress report which addresses the following topics:

- A description of the current status of the project activity;
- A description of activities to be undertaken in the next reporting period;
- A description of problems or delays encountered in project implementation and course of action taken to address them;
- A description of actions taken to achieve project expenditure deadlines; and
- A summary of project fiscal status, including:
  - Award amount;
  - Funds drawn;
  - Remaining balance.
- At any time during the term of the agreement, GHURA may perform or require to be performed an independent financial audit of any and all phases of the Awardee's project(s). At GHURA's request, the Awardee provides, at its own expense, a financial audit prepared by a certified public accountant.

GHURA shall collect and review information on program accomplishments and progress narratives on a quarterly basis to meet federal regulatory compliance. Such information shall be derived primarily from documentation submitted by awardees through their required monthly progress reports. GHURA shall compile this information and submit it to HUD in the form of a Quarterly Performance Report (QPR).

### **5.2.9 Monitoring and Compliance**

GHURA CDBG-DR will refer to the Fraud, Waste, and Abuse Policy for matters pertaining to awardee non-compliance, and reporting protocol. Awardees are responsible for carrying out approved activities in a compliant manner, per the program policies and procedures and all applicable state and federal regulations. See **Appendix- E: HUD's Cross-Cutting Requirements**.

GHURA monitors Awardees for compliance with program guidelines and all applicable state and federal regulations. As part of program oversight, GHURA CDBG-DR will track timeliness and performance to ensure CDBG-DR Mitigation activities meet federal requirements and the HUD-approved Action plan. Performance monitoring may include internal reporting, DRGR data entry, construction progress checks, obligation tracking, and expenditure analysis. GHURA CDBG-DR staff will compare expenditures and outcomes to projections to assess program impacts. Applicants, contractors, and awardees must meet established milestones for project initiation, progress and completion. Failure to demonstrate reasonable progress may result in corrective action, scope modification, payment withholding, or reallocation of funds. GHURA CDBG-DR's Program Coordinator(s), Quality Assurance/Quality Control, Chief Planner and Grant Manager shall make scheduled visits to the Awardees to ensure program compliance and accuracy of information sent to GHURA CDBG-DR Division.

Awardees maintain comprehensive and accurate program records, including, but not necessarily limited to the following:

- Financial records (budget, general ledger, bank statements, cancelled checks, supporting invoices, financial statements, procurement documentation, etc.).
- Programmatic records for approved activities carried out, which shall include, but not be limited to, salaries and benefits payroll documentation; equipment tracking log; and, training attendance logs.
- Where applicable, monitoring reports of Awardees' monitoring of program contractors and/or subgrantees;
- Any other documents that the Awardee considers material to a potential audit; Awardee agrees to the completion of an annual audit or financial report (at the Awardee's expense), the level of which is determined by the total funding awarded to the Awardee by all state and/or federal resources, as required by state and federal regulations. Awardee also agrees to provide copies of requisite audits or financial reports to GHURA.

Failure to do so may place the Awardee on GHURA's non-compliance list, which may result in the inability to fund the Awardee. Awardee agrees to maintain all records for three (3) years following the final closeout of the grant from HUD to GHURA.

Awardees are encouraged to convert all paper files to electronic files. However, if any litigation, claim, negotiation audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period, whichever is later. In addition, the Awardee allows GHURA, HUD, GHURA's internal and external auditors and any other state or federal agency seeking to monitor the Awardee access to all books, accounts, records, reports, files, and other electronic or paper documentation pertaining to the administration, receipt and use of federal funds necessary to facilitate such reviews and audits.

### **5.3 Project Closeout**

The closeout of a project is a process through which GHURA CDBG-DR determines that all applicable administrative and program requirements of the project were completed. In general, a project is ready for closeout when the following conditions are met:

- All eligible activities were completed and met a national objective;
- All project funds were expended
- All reporting requirements were completed and submitted
- All special conditions of the project were met;
- All labor standard compliance issues (if any) have been addressed and fully resolved
- All audit and monitoring issues were resolved.

Each Awardee receives a closeout packet to complete and provide back to GHURA within the specified timeframe.

#### **5.3.1 Complete Closeout Checklist**

Individual elements of the CDBG-DR grant may be closed out as a course of project completion. Completion of the Closeout Checklist is coordinated between GHURA CDBG-DR and the Awardees. Upon completion of individual projects, GHURA reviews and updates the following in DRGR:

- The total amount of funds drawn down for the project
- The project type
- The national objective
- The project accomplishments

Individual project completion shall be captured and reflected in the Quarterly Performance Report.

#### **5.3.2 Closeout of a Contract**

CDBG-DR Awardees are required to submit the following to GHURA CDBG-DR for each contract to complete closeout:

- Final request for funds;
- GHURA reviews the documentation and processes the final funds requests if all provided documentation and the circumstances of the project warrant contract closeout with identified objective(s) met.

GHURA CDBG-DR disencumbers any remaining funds, if applicable, and enters all needed information in DRGR to show the activities and projects are completed. Once all documentation has been processed and DRGR has been updated, GHURA CDBG-DR sends a Closeout Letter to the Awardee, outlining all closeout requirements.

GHURA CDBG-DR Awardees are required to retain CDBG-DR records for a period of not less than three years after the fiscal year of their award in accordance with CDBG-DR record retention requirements.

Once all activities and projects under the GHURA CDBG-DR Grant are completed, GHURA completes the closeout procedures as documented in the DRGR

Note that awards cannot be closed out if there are open monitoring reports associated with the contract; all monitoring findings, concerns and requirements must be received and approved by GHURA, and GHURA must also receive a Clearance Letter stating the monitoring has been completed.

### **5.3.3 Program Income**

GHURA CDBG-DR does not anticipate that the CDBG-DR Mitigation Program will generate any income.

**APPENDIX A: SUBROGATION AGREEMENT**





## **APPENDIX B: INTERGOVERNMENTAL AGREEMENT**

## APPENDIX C: DUPLICATION OF BENEFITS WORKSHEET

Concepts related to DOB calculations	
<i>The table below highlights several key terms and concepts that are used to complete a DOB analysis. This list of terms is provide to help understand terms used in the worksheet</i>	
Key Term	Description
Funds provided for a different purpose than the CDBG-DR assistance	Financial assistance that is provided for a different purpose than the CDBG-DR funds or a general, non-specific purpose (e.g. "disaster relief/recovery"), as long as the assistance is not used for the same costs as the CDBG-DR funds.
Funds provided for the same purpose but a different allowable use	Financial assistance that is provided for the same purpose (e.g. housing rehabilitation) as the CDBG-DR funds but used for a different allowable use than the CDBG-DR funds (e.g. interior vs. exterior rehabilitation).
Purpose of the Assistance	A grantee must identify the purpose of the assistance for which the funds were provided, not the purpose for which they were used .
FEMA Funds	Typical FEMA funds that CDBG-DR grantees should account for are FEMA Individuals and Households Program (IHP), Public Assistance Program (PA), Hazard Mitigation Grant Program (HMGP), and Building Resilient Infrastructure and Communities (BRIC).
Cost Principles	A cost allocated to the grant must "be necessary and reasonable for the performance of the Federal award..." (2 CFR 200.403(a); 2 CFR 200.404; and 2 CFR 200.405).
Unmet Recovery Need	Unmet recovery need is calculated at a point in time and is the applicant's current ne
Private Loan	A loan that is not provided by or guaranteed by a governmental entity and that requires the CDBG-DR applicant (the borrower ) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, e.g. the loan is not forgivable.
Subsidized Loan	Subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery.
Declined Loan	Loan amounts that were approved or offered by a lender in reponse to a loan application, but were turned down by the applicant meaning the applicant never signed loan documents to receive the loan proceeds.
Cancelled Loan	The borrower has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant.

\*Download the full Duplication of Benefits Worksheet on our website: <https://guamcdbgdr.org/>

# APPENDIX D: DUPLICATION OF BENEFITS WORKSHEET

CDBG-DR General Infrastructure Review Worksheet Duplication of Benefits							
<b>Entity Name</b>							
<b>Grant Agreement No.</b>							
<b>Official Project Title</b>							
<b>Project Description:</b>							
Duplication of Benefits							
<b>PURPOSE</b>							
The Grantee is required to implement procedures that prevent duplication of benefits (DOB) as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5121-5207, 42 U.S.C 5170. More specifically, DOB requirements are governed by Federal Register notice published on June 20, 2019 entitled, "Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (2019 DOB Notice) (84 FR 28836). Additionally necessary and reasonable requirements are listed at 24 CFR 570 and Uniform Requirements at 2 CFR 200 and Federal Register notice published March 19, 2025 90 FR 1754 "The Universal Notice".							
The Stafford Act directs administrators of Federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The amount of the duplication is the amount of assistance provided in excess of need. The Stafford Act requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. A DOB occurs when: (a) A beneficiary receives assistance, (b) The assistance comes from multiple sources for the same purpose (e.g., private insurance, FEMA NFIP); and (c) The total assistance exceeds the need for a particular recovery response.							
Question	YES	NO	Comments				
<b>Did the applicant indicate any other sources of funding (besides CDBG-DR) for the proposed activity? If YES...</b>							
In the DOB analysis worksheet, identify the Budget Cost Categories/Scope and description of the use of the non-CDBG-DR funds. If you are unable to do so, please describe here.							
In the DOB analysis worksheet, identify the Budget Cost Categories/Scope and description of the CDBG-DR funds. If unable to do so, please describe here.							
Budget Costs (Scope) typically fall into these categories: (if outside of these categories, mark Other)							
	<b>Design/Planning Project Implementation Administration</b>	<b>Permitting Inspections</b>	<b>Construction Engineering Environmental Review</b>				
In the DOB analysis worksheet, insert the description provided in the Project Budget.							
Has the applicant supplied their Attachment B Project Budget Worksheet? Review the Project Budget Worksheet. Do they contain line item sources and descriptions for all uses of funds?							
Does the applicant provide a policy which describes the process for moving budget between line items? If yes, please describe here.							
Review the Budget Cost Categories/Scope and descriptions. If the scope of funding is similar, is there a difference in description? (If the description of the use of funds is different, but the Budget Cost Categories/Scope is the same the funds are for the same purpose but a different allowable use. The applicant is required to document that any budgetary changes between Cost Categories must be pre-approved by the grantee)							
Calculate the amount of funding received for the same Budget Cost Categories/Scope and description. These funds would be duplicative and must be subtracted from the request for CDBG-DR funds.							
Are there any private loans that is not provided by or guaranteed by a governmental entity, that requires full payment of the loan (principal and interest) that contain typical commercial lending terms (the loan is not forgivable). These loans are not financial assistance and should not be included in the DOB calculation.							
Calculate the total amount for the non-duplicative assistance. This amount is to be excluded when calculating the amount of the DOB.							
Leveraged Dollars							
The Grantee or subrecipient must identify CDBG-DR funds that will be leveraged, including public-private partnerships and other Federal, State, local, private and nonprofit sources. Leveraged funds for each activity must be identified in the Disaster Recovery Grants Reporting (DRGR) System.							
Source of other Funds	Amount	Use			Yes	No	Comments
List the each source of leveraged funds in the worksheet. (Add more lines below as necessary)	List the leveraged funds amount from each source listed in the worksheet.	Compare the use of funds to the requirements of the source. Is it eligible for the source?					
None	\$0.00						
Review Assessment		Yes (provide page # or section as reference)	No (provide justification)	Comments			
Does the Sub-Recipient comply with Duplication of Benefits requirements? Describe basis for conclusion.							
Recapture provision		Yes (provide page # or section as reference)	No (provide justification)	Comments			
A recapture provision or subrogation agreement must be included in any grant agreements which states that if funds were moved from a non-duplicative to a duplicative use the funds would be paid back to the awarding agency.							
Review Assessment							
Does the Project comply with Duplication of Benefits requirements?							
Describe basis for conclusion							

\*Download the full Duplication of Benefits Worksheet on our website: <https://guamcdbgdr.org/>

**APPENDIX D: DUPLICATION OF BENEFITS WORKSHEET**

**DUPLICATION OF BENEFITS ANALYSIS (CDBG-DR)**

<b>Entity Name:</b>	
<b>Grant Agreement No.:</b>	
<b>Official Project Title:</b>	
<b>Project Description:</b>	

Budget Cost Categories/Scope	Description	CDBG-DR Amount	Other Funding Amount	Source of Funds*	Total Funds
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
		\$0.00	-		-
	<b>Totals:</b>	-	-		-
	<b>Percentage:</b>		0.00%		

LEVERAGED FUNDS	GRANT NUMBER	TOTAL ASSISTANCE	NON-DUPLICATIVE	PURPOSE
	0	-	-	
		-	-	
		-	-	
<b>ALL LEVERAGED FUNDS TOTAL:</b>		-	-	

**AWARD CALCULATION**

Total Need Identified	
Total of Assistance Received/Available	-
Amount to Exclude as Non-Duplicative	
Total DOB Amount (Total Assistance Minus Non-Duplicative Exclusions)	
Maximum Award (Total Need Minus Total DOB Amount)	
Program Allocation Cap/Amount (enter amount if applicable)	
<b>Final CDBG-DR Award</b>	
Remaining Funding Gap	0.00

\*Download the full Duplication of Benefits Worksheet on our website: <https://guamcdbgdr.org/>

## **APPENDIX E: HUD'S CROSSCUTTING REQUIREMENTS**

### **Environmental Review**

Early environmental coordination must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both Territorial and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, GHURA serves as the lead agency for purposes of NEPA.

HUD's Environmental Review process allows grantees to serve as the "Responsible Entity" to assume environmental review responsibilities under NEPA. As the grantee, GHURA CDBG-DR serves as the Responsible Entity as it relates to environmental review responsibilities under NEPA. Within GHURA CDBG-DR, Environmental Review Staff will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors. GHURA CDBG-DR's Executive Director, as the Certifying Officer, is ultimately responsible for certifying that GHURA CDBG-DR's environmental reviews are in compliance with NEPA and HUD environmental regulations.

Federal Register Notice FRN-6489-N-01 authorizes recipients of CDBG-DR funds under the Appropriations Act to adopt any environmental review, approval, or permit performed by a federal agency for the same project to satisfy responsibilities with respect to environmental review, approval, or permit. GHURA CDBG-DR will notify HUD in writing of its decision to adopt another agency's environmental review. GHURA CDBG-DR will also retain a copy of the review in its environmental records. Further information concerning the environmental review process is set forth in the Environmental Policy and Procedures.

### **Labor Standards**

The Davis-Bacon and Related Acts (DBRA) applies to all federally-funded or assisted construction contracts in excess of \$2,000. This may apply to projects that are fully or partially funded with CDBG-DR, including FEMA or FHWA match programs. In matched projects, only the scope of the CDBG-DR portion of the project are subject to crosscutting requirements DBRA requires all workers employed by contractors or subcontractors on CDBG-DR programs, be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with DBRA, as amended. DBRA also requires that workers on federally-assisted projects are paid not less than weekly.

Wage information for labor under CDBG-DR programs will be tracked in detail by both GHURA CDBG-DR and relevant Implementing Partners and awardees throughout the life of the Program. For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, GHURA CDBG-DR must follow the reporting requirements per HUD and U.S. Department of Labor (DOL) regulations. This

requirement also extends to GHURA CDBG-DR awardees, implementing partners, and contractors.

The Fair Labor Standards Act of 1938 (FLSA), as amended, establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project. For more information, reference Title 22, GCA Chapter 3.

### **Fair Housing**

The Fair Housing Act requires all grantees, awardees, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Projects must also assess how planning decisions may affect members of protected classes, racially and ethnically concentrated areas, as well as concentrated areas of poverty; will promote the availability of affordable housing in low-poverty, non-minority areas where appropriate; and will respond to natural hazard-related impacts. Program staff will use demographic, geographic, and social vulnerability analyses to determine any positive or negative impacts to protected classes. Should a project present negative impacts, project scope or design will be re-assessed to mitigate such impacts.

### **Limited English Proficiency**

Federal Executive Order 131661 requires VIHFA and all satellite offices, programs, awardees, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing.

Compliance with this requirement is detailed in GHURA CDBG-DR's Reducing Barriers to Assistance Section in the Action Plan and will be coordinated and tracked by the Monitoring and Compliance division at GHURA CDBG-DR. Should an individual request language or communication assistance, GHURA CDBG-DR will provide appropriate and reasonable accommodations to ensure meaningful access to all programs, services, and activities.

### **Section 3 Economic Opportunities**

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. Section 3 of the Housing and Urban Development Act of 1968 is to "ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development

(HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals.”

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very low-income residents in connection with construction projects in their neighborhoods.

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. GHURA CDBG-DR and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

Section 3 applies to Guam, as recipient of HUD funding, as well as to awardees or implementing Partners/Sub-recipients receiving HUD funding exceeding \$200,000. Whenever any portion of HUD funding is invested into projects involving housing construction, demolition or rehabilitation, commercial/private improvements for economic development, or other public construction (e.g., roads, sewers, community centers, and public facilities), the requirements of Section 3 apply.

In conjunction with construction activity, Section 3 applies to projects that are fully or partially funded with CDBG-DR assistance, including projects that are financed in conjunction with territory, local, or private matching or leveraged funds, provided that the Section 3 monetary threshold requirements are met. In particular:

- In conjunction with construction activities, Section 3 applies to contractors or subcontractors that receive contracts more than \$100,000 for Section 3-covered projects/activities. Once it is determined that Section 3 applies to a project, the requirements apply to all contracts for construction work arising in connection with that project exceeding \$100,000, including those not funded with CDBG-DR assistance. Contractors or subcontractors are required to comply with the Section 3 regulations in the same manner as the Territory; and
- “Section 3-covered contract” includes professional service contracts, provided that the work to be performed is generated by the expenditure of funds in furtherance of Section 3 covered work (e.g., housing construction, housing rehabilitation, and other public construction), arising relating to construction projects. Professional service contracts that may constitute Section 3-covered contracts include construction contract oversight, engineering, architectural, environmental and property evaluation, construction progress and draw inspections, and prevailing wage labor compliance.

The regulations pertain to new hires required to complete Section 3-covered projects and activities. If the expenditure of funding for an otherwise covered project and activity does not result in new employment, contracting, or training opportunities, Section 3 reporting will still be required.

When GHURA CDBG-DR awards CDBG-DR funds to other governmental departments, nonprofit organizations, awardees or other funded entities, GHURA CDBG-DR will require they

document how reasonable attempts were made to reach numerical goals set forth at 24 CFR Part 135.30. GHURA CDBG-DR will inform its Implementing Partners and other funded entities of the requirements of Section 3, including the language required to be inserted into all construction-related contracts, assist them and their contractors with achieving compliance, and monitor their performance with respect to the Section 3 objectives and requirements.

Implementing Partners/Sub-recipients will receive training on this requirement and methods of compliance, technical assistance from Program staff, and continual monitoring from GHURA CDBG-DR.

### **System for Award Management (SAMs)**

SAM is the federal System for Award Management and is a requirement for doing business with the U.S. government. All vendors are required to register in SAM in order to be awarded contracts under the CDBG-DR program. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status.

### **Uniform Relocation and Real Property Acquisition Act (49 CFR 24)**

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement;
- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means;
- To help improve the housing conditions of displaced persons living in substandard housing; and,
- To encourage and expedite acquisition by agreement and without coercion.

49 CFR 24.101(c)(1) provides that subpart B requirements also apply to the acquisition of permanent and/or temporary easements necessary for the project. However, 49 CFR 24.101 (c) (2) provides an exception for the acquisition of temporary easements which exclusively benefit the property owner.