

ReOregon

# Subrecipient Manual

Version 1



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# Table of Contents

<b>1 Introduction.....</b>	<b>1</b>
1.1 Oregon Housing and Community Services .....	2
1.2 New CDBG-DR Funding.....	2
1.3 Use of this Document.....	2
1.4 Chapter Matrix.....	3
<b>2 Project Administration .....</b>	<b>5</b>
2.1 Applicability of CDBG-DR Requirements .....	6
2.2 Subrecipients .....	9
2.3 Selection Process Criteria .....	9
2.4 Formal Application .....	10
2.5 Direct Selection.....	11
2.6 Subrecipient Agreement .....	11
2.7 What happens once you sign your SRA? .....	12

## Commonly Used Terms and Acronyms

Acronym	Description
<b>ACS</b>	American Communities Survey
<b>ADA</b>	Americans with Disabilities Act
<b>ADC</b>	Activity Delivery Costs
<b>AFFH</b>	Affirmatively Furthering Fair Housing
<b>AGI</b>	Adjusted Gross Income
<b>AI</b>	Analysis of Impediments
<b>AMI</b>	Area Median Income
<b>AP</b>	Action Plan
<b>APA</b>	Action Plan Amendment
<b>AUGF</b>	Authorization to Use Grant Funds
<b>Beneficiaries</b>	Persons to whom assistance, services or benefits are provided
<b>BCA</b>	Benefit-Cost Analysis
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CDBG</b>	Community Development Block Grant
<b>CDBG-DR</b>	Community Development Block Grant Disaster Recovery
<b>CENST</b>	Categorical Exclusion Not Subject To
<b>CFDA</b>	Catalog of Federal Domestic Assistance
<b>CFR</b>	Code of Federal Regulations
<b>COI</b>	Conflict of Interest
<b>COO</b>	Certificate of Occupancy
<b>CPD</b>	(HUD) Community Planning and Development
<b>CPR</b>	Certified Payroll Report
<b>DBA</b>	Davis-Bacon Act
<b>DBRA</b>	Davis-Bacon and Related Acts
<b>DOB</b>	Duplication of Benefits
<b>DOL</b>	U.S. Department of Labor

Acronym	Description
<b>DRGR</b>	Disaster Recovery Grants Reporting (system)
<b>DRR</b>	OHCS-Disaster Recovery & Resilience
<b>DRRA</b>	Disaster Risk Reduction Area
<b>EA</b>	Environmental Assessment
<b>EEO</b>	Equal Employment Opportunity
<b>EIS</b>	Environmental Impact Statement
<b>EO</b>	Executive Order (federal)
<b>EPA</b>	U.S. Environmental Protection Agency
<b>ER</b>	Environmental Review
<b>ERR</b>	Environmental Review Record
<b>ESA</b>	Endangered Species Act
<b>FAC</b>	Federal Audit Clearinghouse
<b>FAIN</b>	Federal Award Identification Number
<b>FEMA</b>	Federal Emergency Management Agency
<b>FFATA</b>	Federal Funding Accountability and Transparency Act
<b>FHCO</b>	Fair Housing Council of Oregon
<b>FHEO</b>	Fair Housing and Equal Opportunity
<b>FMV</b>	Fair Market Value
<b>FOIA</b>	Freedom of Information Act
<b>FONSI</b>	Finding of No Significant Impact
<b>FRN</b>	Federal Register Notice
<b>FWA</b>	Fraud Waste and Abuse
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>HCDA</b>	Housing and Community Development Act
<b>HEROS</b>	HUD Environmental Review Online System
<b>HMGP</b>	Hazard Mitigation Grant Program

<b>Acronym</b>	<b>Description</b>
<b>HMP</b>	Hazard Mitigation Plan
<b>HUD</b>	U.S. Department of Housing and Urban Development
<b>IFB</b>	Invitation for Bid
<b>LAP</b>	Language Access Plan
<b>LEP</b>	Limited English Proficiency Plan
<b>LMI</b>	Low to Moderate Income
<b>LTRG</b>	Long-Term Recovery Group
<b>M/WBE</b>	Minority- and Women-Owned Business Enterprise
<b>MID</b>	Most Impacted and Distressed
<b>MOU</b>	Memorandum of Understanding
<b>NEPA</b>	National Environmental Policy Act
<b>NFIP</b>	National Flood Insurance Program
<b>NOI</b>	Notice of Intent
<b>NOFA</b>	Notice of Funding Availability
<b>NTP</b>	Notice to Proceed
<b>OAR</b>	Oregon Administrative Rule
<b>OBDD</b>	Oregon Business Development Department
<b>OHCS</b>	Oregon Housing and Community Services
<b>OMB</b>	Office of Management and Budget (federal)
<b>ORS</b>	Oregon Revised Statutes
<b>P&amp;P</b>	Policies and Procedures
<b>PAC</b>	Program Administration Costs
<b>QA/QC</b>	Quality Assurance/Quality Control
<b>QPR</b>	Quarterly Performance Report
<b>RARAP</b>	Residential Anti-Displacement and Relocation Assistance Plan
<b>RE</b>	Responsible Entity
<b>RFI</b>	Request for Information

<b>Acronym</b>	<b>Description</b>
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Qualifications
<b>ROF</b>	Release of Funds
<b>RROF</b>	Request for Release of Funds
<b>SAM</b>	System for Award Management
<b>SBA</b>	Small Business Administration
<b>SFHA</b>	Special Flood Hazard Areas
<b>SHPO</b>	State Historic Preservation Office
<b>SOPs</b>	Standard Operating Procedures
<b>SR</b>	Subrecipient
<b>SRA</b>	Subrecipient Agreement
<b>TA</b>	Technical Assistance
<b>TDD</b>	Telecommunication Devices for the Deaf
<b>THPO</b>	Tribal Historic Preservation Office
<b>UFAS</b>	Uniform Federal Accessibility Standards
<b>UN</b>	Urgent Need
<b>URA</b>	Uniform Relocation Assistance and Real Property Acquisition Policies Act
<b>USC</b>	United States Code
<b>USACE</b>	U.S. Army Corps of Engineers
<b>VOAD</b>	Voluntary Organizations Active in Disaster

## Version History and Version Policy

The version history of the policy guidelines is tracked in the table below, with notes for each change. The dates of each publication are also tracked in the table.

The State will publish a new version after making substantive changes that reflect a policy change. The updated policy manual will be assigned a new primary version number such as 2.0, 3.0, etc.

After making non-substantial changes, such as minor wording and editing or clarification of existing policy that do not affect the interpretation or applicability of the policy, the State will publish a version of the document with a sequential number increase behind the primary version number such as 2.1, 2.2, etc.

Amendments made to policy may go into effect on the date of the revision or may be applied retroactively, depending on the applicant pipeline and status of applicants in the program intake and recovery process. Whether a policy will be applied proactively or retroactively will be detailed in the version history below and/or within the relevant chapters.

Version Number	Date Revised	Key Revisions
0.1	November 2023	DRAFT for review
1.0	December 2023	Complete Manual



# 1 Introduction

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# 1 Introduction

## 1.1 Oregon Housing and Community Services

Oregon Housing and Community Services (OHCS) is Oregon’s housing finance agency. OHCS provides financial and program support to create and preserve quality, affordable housing. The Agency primarily serves Oregonians of lower- and moderate-income families across the housing continuum, including preventing homelessness, providing housing stability supports, financing the building and preservation of affordable housing, and encouraging homeownership.

OHCS is designated as the lead state agency to provide the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) grant programs. The specific division designated to operate and manage the CDBG-DR program is the OHCS-Disaster Recovery & Resilience (DRR) division.

## 1.2 New CDBG-DR Funding

Oregon is the recipient of \$422,286,000 in CDBG-DR funds. The funding will be used to address long-term recovery and hazard mitigation efforts in response to the 2020 Labor Day wildfires.

## 1.3 Use of this Document

The purpose of this handbook is to:

- Assist subrecipients in the day-to-day administration of CDBG-DR projects.
- Help subrecipients of CDBG-DR funding complete their projects in compliance with program regulations.
- Provide tools to assist in CDBG-DR project implementation. The tools include tips, lists, forms, and sample documents that are attached to each chapter.

This handbook includes the basic information that cities and counties need to begin, manage, and close out a CDBG-DR funded project. This handbook does not address how to determine eligibility for CDBG-DR activities nor how to apply for a CDBG-DR grant. Specific CDBG-DR Program Guidelines, posted on the [OHCS CDBG-DR website](#), addresses eligibility and application. ReOregon Program staff will assist you with questions about eligibility, project development, and the application process.

It is important that subrecipients understand and adhere to the federal and state requirements that apply to projects involving CDBG-DR funds. Failure to meet these requirements can result in severe consequences, including but not limited to the state being forced to rescind or recapture the grant award in whole or in part. The ReOregon Program staff is there to help you complete your project successfully, so remember to keep them informed about your progress and ask questions.

This handbook is designed with each chapter describing a specific area of the federal and state requirements that apply when CDBG-DR funds are used for a project. Also included with most chapters are checklists and tools that can be used to keep track of progress addressing key requirements discussed within the chapters.

In summary, this handbook provides most, but not all, of the information necessary to successfully implement a CDBG-DR project. It is very difficult to capture every nuance of the many and varied program requirements in one publication. Therefore, in specific chapters, the document may reference other program-specific documents where further details beyond the scope of this handbook can be found.

You are encouraged to keep your handbook bookmarked so that you can quickly access additional information being added and updated, grant procedures and forms, and updated materials. Suggestions and comments on this handbook are welcome. Please direct them to [ReOregon@hcs.oregon.gov](mailto:ReOregon@hcs.oregon.gov).

## 1.4 Chapter Matrix

The following matrix is a helpful guide for subrecipients implementing an activity for a particular program to know which chapters are applicable for reading.

Sections of the CDBG-DR Manual	HARP	HOP	IHA	PIER	Public Services	Planning
Overview and Project Administration	✓	✓	✓	✓	✓	✓
Environmental Review	✓	✓		✓		
Financial Management	✓	✓	✓	✓	✓	✓
Procurement	✓	✓		✓		✓
Labor Standards (DBRA)	✓	✓	✓	✓		
Fair Housing, EEO, 504, Section 3	✓	✓	✓	✓		
Acquisition and Relocation	✓	✓		✓		
Duplication of Benefits	✓	✓	✓	✓	✓	✓
Green Building Requirements	✓	✓				
Mitigation	✓	✓		✓		✓
Monitoring and Audit	✓	✓	✓	✓	✓	✓
Fraud, Waste, and Abuse	✓	✓	✓	✓	✓	✓
Project Reports/Closeout	✓	✓	✓	✓	✓	✓



# 2 Project Administration

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## 2 Project Administration

### 2.1 Applicability of CDBG-DR Requirements

The U.S. Department of Housing and Urban Development (HUD) allocates CDBG-DR funds through a Federal Register Notice (FRN) based on specific disaster events and develops implementation requirements specific to each FRN. The FRN details the amount of funds being allocated, the recipients of the allocations, guidance, requirements for submitting an Action Plan detailing how the state will use the funds for disaster recovery and mitigation purposes, and any modifications or waivers of basic CDBG requirements found in 24 CFR 570. The rules and requirements may vary from disaster to disaster and require compliance with the specific FRN allocating the funds.

The FRN allocating the CDBG-DR funds to Oregon, titled *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice*, were issued on May 24, 2022 (referenced as 87 FR 31636).

The list below highlights key changes in the FRN to the basic CDBG requirements. Each additional section of this manual or specific policies developed for CDBG-DR funded activities will provide specific directions for these and other requirements in the Consolidated Notice. Key changes resulting from [87 FR 31636](#) include:

- **Most Impacted and Distressed (MID) Areas:** The Consolidated Notice identifies the “most impacted and distressed” areas based on the amount of damage to those cities or counties resulting from the qualifying major disaster. The Consolidated Notice requires that 80% to 100% of the CDBG-DR funds must be used in HUD-identified MIDs: Clackamas County, Douglas County, Jackson County, Lane County, Lincoln County, Linn County (ZIP code 97358), and Marion County. The remaining 20% can be used in a state-identified MID that received a presidential disaster declaration but did not meet HUD’s criteria for a HUD MID. Oregon has identified Klamath County as having significant unmet needs and eligible to receive CDBG-DR funding as well.
- **National Objectives:** The FRN modifies the Urgent Need (UN) national objective allowing its use for CDBG-DR activities for 36 months after the applicability date of the FRN (i.e., in basic CDBG, UN can only be used within 18 months of the emergency). The FRN also adds the Low to Moderate Income (LMI) national objective that can be used when providing incentives to LMI households who have had their property purchased through a buyout program (i.e., in basic CDBG,

buyout acquisitions are not an eligible activity and there is no such activity as an “incentive”).

- **Mitigation Set-Aside:** The Appropriations Act required that HUD provide an additional 15% of CDBG-DR funds as a mitigation set-aside to fund mitigation activities. The Consolidated Notice defines mitigation as “those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.” Projects can have both a recovery need (based on impacts during the disaster) and a mitigation need (based on lessening impacts from future disasters). The FRN requires incorporating mitigation measures into the recovery activity when undertaking construction, reconstruction, or rehabilitation of both residential and non-residential structures. Alternatively, an activity can be funded entirely for the purpose of mitigation and must have a quantifiable mitigation outcome when completed.

See **Chapter 12**, in this manual, for more details on mitigation requirements.

- **Duplication of Benefits (DOB):** A DOB may happen when a disaster-impacted person, business, or local government receives disaster assistance from more than one entity. When more than one source of funds is intended for the same purpose, an analysis of the funds must be undertaken to see if any funds “duplicate” the intended purpose for the CDBG-DR funds. Any other assistance found to duplicate the CDBG-DR intended use must be subtracted from the CDBG-DR award to ensure that the same need is not paid for twice.

See **Chapter 10**, in this manual, for more details on duplication of benefits requirements.

- **Housing and New Construction:** Damaged properties that require rehabilitation or reconstruction must meet HUD’s elevation and Green Building standards. If housing cannot safely be rebuilt, there may be a need for new housing to be constructed. CDBG-DR allows new housing construction and imposes affordability requirements which are typically not required under basic CDBG.
- **104(d) Relocation and One-for-One Replacement:** CDBG-DR funded activities that trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) reduces the 104(d) 60 months of assistance for LMI households to 42 months. The one-for-one replacement requirement under 104(d) is also modified to exclude substantially damaged housing and housing “not suitable for rehabilitation” from the replacement requirement.
- **Acquisition:** HUD has added an acquisition activity for the purpose of creating open space and mitigating high-risk properties from future impacts that is called a

“buyout.” To encourage residents to sell their high-risk property and move to a safer living environment, HUD has allowed the use of incentives, which can encourage the sale of the property and assist the buyout participant with replacement housing.

- **Infrastructure:** All infrastructure projects must be designed and constructed to withstand extreme weather events and the impacts of climate change. An infrastructure activity includes any activity or group of activities (including acquisition or site or other improvements), whether carried out on public or private land, that assists the development of the physical assets that are designed to provide or support services to the general public.
- **Nonresidential Elevation:** Nonresidential structures, including infrastructure, assisted with CDBG-DR funds must be elevated to the standards described in the FRN or floodproofed in accordance with Federal Emergency Management Agency’s (FEMA) floodproofing standards.
- **Match:** CDBG-DR funds may be used as the “local match” for other Federal programs when used to carry out an eligible CDBG-DR activity. This includes activities funded by FEMA and the U.S. Army Corps of Engineers (USACE). Note: Match for USACE activities is capped at \$250,000.
- **Economic Revitalization:** Economic revitalization varies somewhat from standard CDBG economic development. Economic revitalization includes activities that demonstrably restore and improve the local economy through job creation and retention or by expanding access to goods and services. The Public Benefit Standards are waived, and activities now require alternative measures to document benefits to the public.
- **Section 3:** CDBG-DR funded activities must follow Section 3 as codified at 2 CFR Part 75. The updated Section 3 regulations change the way that Section 3 workers and Targeted Section 3 workers are defined and reported, and goals that must be achieved for each class.

See **Chapter 7**, in this manual, for more details on Section 3 requirements and procedures.

- **Environmental Review:** All activities funded by CDBG-DR must comply with applicable federal and state environmental rules and regulations, which generally require an evaluation of the environmental impacts of proposed projects and the identification of mitigation measures to minimize or prevent adverse impacts. All projects funded by HUD CDBG-DR funds will require an Environmental Review Record (ERR) to be completed in compliance with HUD 24 CFR Part 50, 51, 55, and 58; and all applicable state and local regulations.

When CDBG-DR funds are being used to match or supplement FEMA-assisted activities under sections 402, 403, 404, 406, 407, 408(c)(4), or 502 of the Stafford Act, that agency's environmental review can be adopted without review or public comment. The other agency's environmental review must cover all project activities funded by the CDBG-DR recipient for each project.

See **Chapter 3**, in this manual, for more details on environmental requirements and procedures.

- **Expenditure Timelines:** HUD has imposed a 6-year timeline on Oregon for expending 100% of its CDBG-DR grant. To comply with this expenditure timeline, each program policy states an expenditure timelines requirement for completion of funded activities and mechanisms for extending timelines, if needed and allowable.

## 2.2 Subrecipients

A subrecipient may be a public or private nonprofit agency, authority, or organization that receives CDBG-DR funds from OHCS to undertake eligible activities. The definition of a CDBG subrecipient can be found at 24 C.F.R. § 570.500(c). It is further defined at 2 C.F.R. § 200.1 as a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal award. Unless otherwise noted, the term “subrecipient” is used throughout this manual to denote organizations that have executed a Subrecipient Agreement (SRA) with OHCS to carry out defined eligible activities and who are or will be receiving CDBG-DR funds as a result thereof (2 C.F.R §200.331).

In addition, faith-based organizations are eligible, on the same basis as any other organization, to participate in any HUD program or activity, considering any permissible accommodations, particularly under the Religious Freedom Restoration Act<sup>1</sup>. According to [24 C.F.R. § 5.109](#), OHCS or subrecipients must not discriminate on the use of a religious faith-based organization.

## 2.3 Selection Process Criteria

OHCS serves as lead agency and will contract subrecipients to (a) implement and manage individual projects or programs and/or (b) contract with and administer subgrantees. Prior to any award to subrecipients, OHCS will review all projects and programs (including those that may ultimately become subgrantee led) for CDBG-DR eligibility, ensuring that they comply with federal requirements, the Action Plan, and program guidelines.

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<sup>1</sup> Refer to [24 C.F.R. § 570.480\(e\)](#) and [§ 570.200\(j\)](#) for more information.



When administering a CDBG-DR Program, HUD permits Grantees (OHCS) to make program administration decisions regarding method of distribution of funds for carrying out their disaster recovery activities. OHCS may use any reasonable criteria to select a subrecipient, including but not limited to:

- Issuing a Request for Qualifications
- Issuing a Notice of Funding Availability (NOFA)
- Issuing an application process
- Selecting a qualified non-profit organization serving a specific geography
- Selecting a Unit of General Local Government
- Selecting a Governmental Agency or Organization
- Direct Selection
- Other method(s), as applicable

Subrecipients shall not enter into any agreements for administration of programs or projects without prior written notice to OHCS. Refer to applicable program policies for more details on submitting applications.

## **2.4 Formal Application**

Depending on the selection criteria, prospective subrecipients may be required to submit formal applications to OHCS. These applications shall describe proposed activities, implementation schedule, budget, staffing structure, related experience, and assure compliance with program regulations. OHCS shall then evaluate the applications according to the selection criteria, CDBG-DR Programs priorities, and the Action Plans. A formal application process may be followed when:

- You have identified a specific need with defined goals or outcomes.
- Project activities are numerous and/or complex.
- There is a pool of potential applicants with varying degrees of expertise and capacity.
- The cost and level of potential program failure are high.
- There are limited funds and many competing needs and/or approaches for addressing these needs.

## 2.5 Direct Selection

OHCS has the discretion to directly identify and select a prospective subrecipient to carry out the desired CDBG-DR program/activities and approach them directly to determine their interest and suitability for the work. Direct selection may be followed when:

- An entity is uniquely qualified due to having sole jurisdiction over project or complete control/ownership over a project site.
- There is reasonable basis to conclude that it will result in increased efficiencies and produce quicker results, thereby more quickly addressing the unmet need.
- It can be reasonably concluded that the minimum needs of the Program project can only be satisfied by the selected subrecipient.

## 2.6 Subrecipient Agreement

Understanding the terms of your executed SRA is critical for understanding your responsibilities as a subrecipient. The SRA is the basis for the contractual obligation between OHCS and the subrecipient to fund and implement the awarded activity or program as required by 24 C.F.R. § 570.503. The agreement denotes responsibilities attributable to each party and outlines in exact measure the scope of services provided under the agreement, methods of accountability, and a schedule for payment. Execution of the agreement binds the subrecipient for a specified period of time (term) and may be revised only upon written authorization from OHCS. OHCS utilizes a standardized SRA template, which may be amended from time to time. It is important to note that this manual is supplemental to the SRA and applicable federal and state regulations, standards, policies, and procedures. You, as a recipient of federal grant funds, must follow and understand basic Program regulations applicable to the management and financial systems for CDBG-DR found in Code of Federal Regulations Title 24 (24 C.F.R.) and Title 2 (2 C.F.R.). The executed SRA between your organization and OHCS contains a comprehensive statement of the general rules applicable to your management and implementation of the program, scope of work, timelines and performance goals, objectives, budgets, staffing and special conditions, if any, applicable to the specific services or project to be provided by your entity. Further, the agreement specifies the reports and documentation required for verification of compliance. This document aims to assist your organization in complying with the provisions of the SRA. However, because the contents of this manual represent the minimum requirements regarding your compliance with federal regulations and the SRA, it is not meant to be used as the single document that rules the administration of the SRA. Further, this document is meant to be used as a supplement to the SRA and does not replace the SRA provisions.

You can view the Subrecipient Agreement template at

<https://www.oregon.gov/ohcs/disaster-recovery/Pages/ReOregon-Guidance.aspx>.

## **2.7 What happens once you sign your SRA?**

Once you have signed your SRA with OHCS, the ReOregon Program Staff will contact your organization's representative to schedule an "on-boarding" to the CDBG-DR or CDBG Mitigation (CDBG-MIT) Program where performance goals, expected outcomes, and work plans will be reviewed and discussed. Your organization may also be contacted by:

- DRR Finance Division to discuss matters pertaining to invoicing and reimbursement requests
- DRR Procurement Division to discuss matters pertaining to procurement of services or goods
- DRR Compliance Division to provide detailed guidance on resources available, pending documents/forms and any other initial onboarding topics

In the event that you need programmatic and/or budget changes, you will need to contact your assigned ReOregon Program Staff for review and approval. Your SRA contains specific provisions on what can lead to or cause an amendment. However, any changes in the SRA dispositions or its exhibits may trigger an SRA amendment process.