



Mississippi Development Authority

Workforce Housing Program

PROGRAM GUIDELINES

Version Control

Version Number	Date	Summary of Changes	Approved By
1.0	August 3, 2026	Original	MDA-CID

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Version Policy

Version history is tracked in the Version History Table (page i), with notes regarding version changes. Dates of each publication are also tracked in this table. Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

Policy Change Control

Policy clarifications, additions, or deletions may be needed during the course of the Program to more precisely define the rules by which the Program will operate. Policy decisions will be documented and will result in the revision of the Program Guidelines as needed. Unless otherwise noted, policy revisions are applied prospectively, made effective on the date of document approval

1 Introduction

This document serves as the Program guidelines for the State of Mississippi Workforce Housing Program (“Program”). These guidelines were developed to serve as a basis for the Program and to provide guidance on Program implementation that follows HUD requirements and best practices. This document may also serve as a reference for applicants and other interested parties who want to understand how the Program operates. Note that this Program Guidelines document is only intended to address the Workforce Housing Program. Each of the other recovery Programs outlined in the Mississippi Action Plan for Disaster Recovery (“Action Plan”) is governed by its own Program Guidelines document.

In 2025, the State of Mississippi was awarded a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the US Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by 2023/2024 Disaster Events, DR-4697-MS, DR-4727-MS & DR-4790-MS, as outlined in the HUD approved action plan found at: <https://msdisasterrecovery.com/action-plans/2023-2024-disasters/>. Federal Register Volume 90, No. 10, published on January 16th, 2025 (90 FR 4759), also known as the Allocation Announcement Notice (AAN) allocated a combined total of \$134,953,000 in disaster recovery funds to the State of Mississippi. These funds will be administered through the Mississippi Development Authority – Community Incentives Division (MDA-CID). MDA-CID is the agency responsible and accountable to HUD for the administration of CDBG-DR funding. MDA-CID has allocated \$12,000,000 to the Workforce Housing Program. The Program will be administered by the State and implemented through agreements with local non-profits and for-profit, non-governmental organizations. Award Recipients will be selected through a competitive selection process described in these program guidelines. In addition to the AAN, funds are subject to the requirements of the Universal Notice (Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice, published on January 8, 2025, at 90 FR 1754, as amended by Memorandums 2025-02 and 2025-03 and as subsequently amended)(“the Universal Notice”).

2 Program Overview

MDA-CID has allocated \$12,000,000 to the Workforce Housing Program. The purpose of the Program is to assist communities recovering from the housing and economic impacts of the 2023 and 2024 tornadoes and straight-line winds. To support this recovery, the Program will fund the construction of new affordable single-family homes intended for homeownership rather than rental within multi-unit residential developments located in HUD-identified MID areas. These developments are intended to support communities where recovery activities are expected to create jobs, encourage disaster-displaced households to return, and provide housing for new residents relocating to the area for employment opportunities.

Funding for projects under this program will be awarded to eligible entities in compliance with CDBG-DR requirements. The amount of assistance for each project will be determined based on documented costs, unmet needs, and project delivery benchmarks. All projects are subject to a duplication of benefits review, cost reasonableness analysis, and compliance with all cross-cutting federal requirements.

This Program Policy document establishes the framework for program administration, including roles and responsibilities, eligibility and compliance requirements, project selection and funding parameters, implementation and oversight procedures, and performance monitoring standards.

3 Alignment with Universal Notice

The Workforce Housing Program has been designed to comply with the applicable requirements of the Universal Notice, the Allocation Announcement Notice (AAN), the Housing and Community Development Act (HCDA) of 1974 (Public Law 93-383), HUD regulations at 24 CFR part 570, and any other applicable Federal requirements. The program's policies incorporate the following required elements and align with the program commitments outlined in the Action Plan.

3.1 Required Policies and Procedures (Universal Notice Section III.A.2)

The Program adheres to the general requirements for all CDBG-DR-funded programs, including:

- Minimizing Displacement (Section III.A.2.a):

The Program does not anticipate any buyout activity or displacement of people. However, in the event displacement does occur, MDA-CID will fully comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) at 49 CFR part 24 and Section 104(d) of the HCDA, including following its Residential Anti-displacement and Relocation Assistance Plan (RARAP), provision of relocation assistance and advisory services, and planning and budgeting for associated costs.

- Mitigation and Resilience (Section III.A.2.b):

The Program will integrate mitigation measures and resilience strategies into all CDBG-DR investments. Projects will be required to incorporate design features that reduce vulnerability to natural hazards, such as flooding, extreme winter weather, drought, earthquakes, wildfires, hurricanes, tornadoes, and dam and levee failures. Projects will align with local recovery plans, the mitigation needs assessment of the Action Plan, and other resilience strategies, and will be designed and constructed to withstand chronic stresses and extreme weather events. Resilience performance measures will be identified in the Disaster Recovery Grant Reporting (DRGR) system to demonstrate compliance with HUD requirements and to promote long-term durability of CDBG-DR investments.

- Timeliness and Projections (Section III.A.2.c):

MDA-CID will develop quarterly projections for expenditures and outcomes, which are uploaded into the DRGR system. These projections are monitored throughout the program's lifecycle and publicly posted in accordance with Section III.B.8.a. of the Universal Notice. The program will use these projections to measure performance against planned outputs.

3.2 Housing Program Requirements (Universal Notice Section III.A.3)

As a housing program, the Workforce Housing Program must satisfy the housing-specific policy and procedure requirements in Section III.A.3 of the Universal Notice, in addition to the requirements applicable to all CDBG-DR programs and the requirements established in MDA-CID's HUD-approved Action Plan, as amended. The Workforce Housing Program is a new construction homeownership program in which Program-assisted housing units will be sold to eligible homebuyers. The Program

does not provide rental assistance, rental rehabilitation, or new construction of affordable rental housing.

MDA-CID will implement the following housing-program requirements:

- **Maximum Assistance Exceptions**

CDBG-DR assistance is limited to 40 percent of total eligible construction costs and \$4,000,000 per project, unless an exception is expressly permitted by controlling authority and approved in writing by MDA-CID. Any exception request must be reviewed on a case-by-case basis and supported by documentation showing the circumstances under which the exception is needed and demonstrating that the amount of assistance is necessary and reasonable. MDA-CID's review may include extraordinary circumstances, verified project gap, cost reasonableness, necessity, consistency with the Action Plan, and the amount of assistance required to complete the eligible activity. No exception may exceed the authority available to MDA-CID or waive an applicable statutory, regulatory, national objective, eligibility, affordability, environmental, labor, civil rights, procurement, or duplication-of-benefits requirement.

MDA-CID will make exceptions to the maximum award amounts, when necessary, to comply with federal accessibility standards, or to reasonably accommodate a person with disabilities, and to further ensure an impactful and efficient recovery, in accordance with 2 CFR 200 - Cost Principles. MDA-CID may make exceptions to program policy, at its discretion.

- **Rapid Unsheltered Survivor Housing (RUSH) Program Alignment**

Mississippi has not received any funding for the 2023/2024 disaster events under HUD's Rapid Unsheltered Survivor Housing (RUSH) program. Should RUSH funding become available for the same disaster-impacted geography or population, MDA-CID will update these guidelines to document how the Program coordinates with that funding, avoids duplication, sequences assistance, and addresses unmet housing needs not otherwise met by RUSH.

- **Contractor Fraud, Poor Quality Work, and Warranty**

Award agreements, developer agreements, construction contracts, sales documents, and related project documents must include applicable quality-control, inspection, correction, warranty, dispute-resolution, and enforcement provisions. MDA-CID has established mechanisms to assist beneficiaries in responding to contractor fraud, poor quality work, construction deficiencies, warranty claims, and associated issues. Refer to Section 12.3 for details on reporting suspected fraud, waste, or abuse.

All construction work completed by the program will be accompanied by a one (1) year general warranty. Applicants are provided with a copy of the warranty package upon release of keys to the program-assisted property. Warranties cover the entirety of the program-assisted unit.

The subrecipient or developer/owner is responsible for providing the warranty and addressing any valid warranty issues which arise during the one (1) year coverage period. If an applicant chooses to make modifications, additions, or to otherwise affect or alter the assisted property during the one (1) year warranty period, the warranty will be void and the subrecipient or

developer/owner will not be responsible for any repairs. The Program will provide formal periodic notifications to beneficiaries prior to warranty expiration, including at least six (6) months and one (1) month before expiration where sufficient time remains in the warranty period, and will document such notifications in the applicant file.

- **Social Media**

MDA-CID will use official social media channels to provide timely, accessible updates regarding key program milestones, including the opening of the Workforce Housing Program applications and the scheduling of public hearings related to the program.

Social media will serve as a real-time communication tool to:

- Notify potential applicants when applications for the program are open
- Announce dates, times, and locations (physical or virtual) of public hearings on proposed plans, amendments, or CDBG-DR-funded projects
- Share links to online applications, Action Plan documents, comment forms, and registration details
- Remind potential applicants of upcoming deadlines for application submission or public comment periods
- Provide summaries or video recordings of past public meetings and hearings.

Primary platforms to be used may include:

- **Facebook:** Public announcements, event invitations, and shareable graphics
- **Instagram:** Visual promotion of program milestones, community engagement events, and success stories
- **YouTube:** Hosting recordings of public hearings and outreach videos
- **Website:** Program documents and information - <https://msdisasterrecovery.com/>

- **Alternative Methods for Documenting Ownership**

This program is intended for the construction of new single-family housing. Applicants will be sellers, not homeowners. Site control is required and must be documented appropriately before an award is made.

- **Duplication of Benefits Framework**

MDA-CID will apply Appendix C of the Universal Notice to each assisted project and beneficiary, as applicable. MDA-CID will assess total need; identify total assistance received or reasonably anticipated for the same purpose; exclude nonduplicative amounts; exclude funds for a different purpose; exclude funds for the same purpose but a different allowable use; identify any final duplication of benefits; calculate the CDBG-DR award; require beneficiaries to sign a repayment or subrogation agreement when applicable; and reassess unmet need when necessary, including before award, before any material budget amendment, before final draw

or closeout, and whenever additional assistance is identified. The duplication of benefits process is described in more detail in Section 11.4 of these program guidelines.

- **Housing Counseling Agency**

MDA-CID does not intend to coordinate with a HUD-approved Housing Counseling Agency for this Program.

4 Roles and Responsibilities

4.1 Grantee – MDA-CID

The State of Mississippi is the direct recipient of the Community Development Block Grant–Disaster Recovery (CDBG-DR) funds from HUD and has designated MDA-CID for the overall administration, oversight, and compliance of the Program.

The MDA-CID retains ultimate legal, financial, and programmatic responsibility, even when projects are delivered by subrecipients, contractors, or vendors.

4.2 Applicant/Subrecipient/Developer Responsibilities

Eligible applicants are local nonprofit or for-profit nongovernmental organizations. Per HUD's 2025 Revised CDBG-DR Universal Notice, subrecipients may include, but are not limited to, nonprofit organizations, units of general local government, partner agencies, subgrantees, and Indian tribes. Subrecipients act as an extension of the grantee and must follow the same rules. For-profit entities may not be designated as subrecipients except as allowed under 24 570.201(o) which applies only to economic development activities. As such, under this Program, for-profit entities will be designated as developers and local nonprofits will either be designated as a developer or a subrecipient. MDA will enter into a subrecipient or developer's agreement, as appropriate, with award recipients. The executed instrument will identify the entity's role, ownership and development responsibilities, compliance duties, repayment obligations, and MDA-CID oversight rights, including:

- **Program Implementation:** Carry out the approved housing development, including site control, design, environmental coordination, financing, procurement or developer contracting, construction management, homebuyer marketing and sales, and reporting, as assigned in the executed agreement.
- **Compliance:** Ensure compliance with CDBG-DR requirements, including national objective documentation, duplication of benefits, URA/acquisition, environmental review coordination, Davis-Bacon, Section 3, and procurement rules.
- **Financial Management:** Maintain accurate records of expenditures, contracts, and invoices; submit reimbursement requests to MDA-CID with required documentation.
- **Recordkeeping and Reporting:** Track and report progress, milestones, and beneficiary data; submit quarterly reports to MDA-CID.
- **Oversight and Accountability:** Demonstrate capacity and internal controls prior to executing the award agreements; address monitoring findings or corrective actions in a timely manner.

- **Flood and Property Insurance:** subrecipients must comply with Section 582 of the National Flood Insurance Reform Act and all applicable flood-insurance, builder's-risk, general-liability, property, and post-closing insurance requirements. Any continuing flood-insurance covenant must be recorded and disclosed to future owners when required by law.
- **Income, Sales, and Occupancy Verification:** awardees will be required to verify purchaser income, household composition, and primary residence status before closing; ensure that at least 51 percent of units in each project are occupied by households at or below 80 percent AMI and that no assisted unit is occupied by a household above 120 percent AMI; and provide complete closing and beneficiary records to MDA-CID.

Each award recipient remains responsible for all obligations assigned by its agreement, including obligations carried out through developers, contractors, sales agents, lenders, consultants, or other partners. Delegation does not relieve the award recipient or MDA-CID of oversight responsibilities.

4.3 Contractors and Vendors

Award recipients may retain contractors, vendors, professional service providers, and other implementation partners required to carry out the award activities only through applicable procurement requirements. Contracts must include all applicable federal, state, local, and grant-specific provisions.

Contractor and Vendor Responsibilities include:

- Deliver construction, professional, or technical services per an executed contract with an Award Recipient.
- Comply with applicable procurement standards at 2 CFR §§ 200.317–.327 and HUD-specific procurement requirements.
- Follow all contract provisions, including those related to Davis-Bacon, Section 3, nondiscrimination, and conflict of interest.
- Submit required documentation such as certified payrolls, invoices, progress reports, and compliance certifications.
- Cooperate with MDA-CID and HUD monitoring and audits.

MDA-CID and its Award Recipients retain oversight authority for all contracted activities and are responsible for ensuring contractors perform in compliance with program requirements.

For additional information on respective roles and responsibilities, please refer to the MDA-CID Policy Manual.

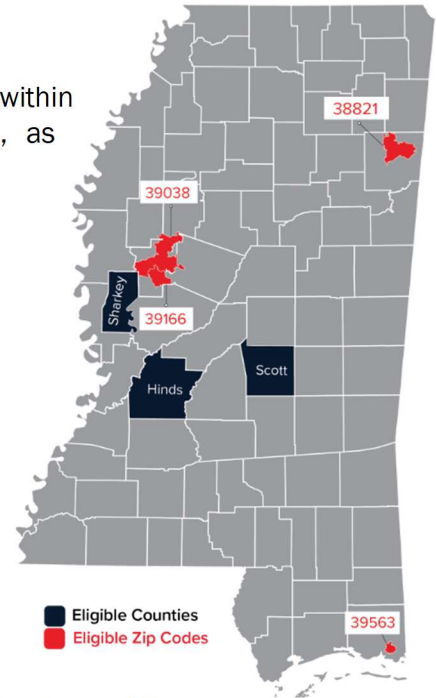
5 Program Eligibility Requirements

5.1 Eligible Geographic Area

The Program will be geographically limited to businesses located within HUD-designated Most Impacted and Distressed (MID) areas, as identified in MDA-CID's HUD-approved Action Plan.

Eligible geographic areas under this Program are:

- Sharkey County (all)
- Hinds County (all)
- Scott County (all)
- Humphreys County: Belzoni (ZIP Code 39038)
- Humphreys County: Silver City (ZIP Code 39166)
- Jackson County: Moss Point (ZIP Code 39563)
- Monroe County: Amory (ZIP Code 38821)



5.2 Eligible Applicants

To be eligible to receive CDBG-DR funding under the Program, *applicants must be* local non-profit or for-profit, nongovernmental organizations. In order to participate, each non-profit or for-profit must (as applicable):

- Possess a valid and current Unique Entity Identifier (UEI) registered in SAM.gov;
- Demonstrate capacity to comply with federal requirements under 2 CFR Part 200 and CDBG-DR regulations, including financial management, procurement, recordkeeping, and reporting;
- Not be listed on SAM.gov's exclusion list or HUD's Limited Denial of Participation (LDP) list.
- Demonstrate programmatic and administrative capacity to implement multi-unit, single-family housing developments, including procurement, contract management, and compliance oversight;
- Not have unresolved audit findings, pending litigation related to prior federal program participation, or a documented history of noncompliance with federal awards;
- Demonstrate readiness to proceed with eligible projects, including commitment of all funding sources, planning, permitting, or pre-development documentation, as required.

5.3 Eligible Activities

All activities funded through the Program must qualify as eligible activities under Section 105(a) of the Housing and Community Development Act of 1974 (HCDA), as amended (42 U.S.C. § 5305), and as defined at 24 CFR 570.201 and 202, or pursuant to an applicable waiver or alternative requirement established by HUD through the Universal Notice, Allocation Announcement Notices, or a grantee-specific waiver approved by HUD.

The following sections of the HCDA provide the statutory basis for eligible program activities:

5.3.1 Section 105(a)(4): Clearance, Demolition, Removal, Reconstruction, and Rehabilitation

Clearance, demolition, removal, reconstruction, rehabilitation, and site improvements may be included when incidental and necessary to create the approved new housing development, subject to environmental, relocation, cost, and program requirements. Rehabilitation of existing housing is not an independent Program activity under the current design.

5.3.2 Universal Notice Waiver – New Construction

The Universal Notice waives 42 U.S.C. 5305(a) and 24 CFR 570.207(b)(3) to permit new housing construction and applies 24 CFR 570.202 to that construction. Private entities remain subject to applicable accessibility and site-selection requirements, including 24 CFR 1.4(b)(3) and 24 CFR 8.4(b)(5).

5.4 Eligible Uses of Funds

Eligible uses include reasonable and necessary costs of developing new affordable single-family homes within an approved multi-unit project; eligible demolition and site work; architectural and engineering services; permits; construction; accessibility features; required infrastructure integral to the housing; inspections; title and closing functions; approved activity-delivery costs; and other costs expressly approved by MDA-CID.

5.4.1 Ineligible Use of Funds

The following activities and uses of funds are expressly ineligible under the Program, regardless of Award Recipient or project type; this list is not exhaustive:

- Any activity that does not meet a CDBG national objective;
- Political or religious activities, including lobbying, campaigning, worship services, or facilities used primarily for religious instruction;
- Luxury improvements that are not essential to health and safety (e.g., swimming pools, high-end finishes, etc.);
- New construction or reconstruction related activities for businesses, including building expansions, structural additions, activities that require zoning changes, or other actions that are unrelated to the new construction of affordable workforce housing; and
- Rental housing, rehabilitation-only projects, manufactured housing units, temporary housing, or nonresidential facilities unless later authorized through an approved Action Plan amendment and conforming program revision.

5.5 National Objectives

Every funded project must satisfy and document a CDBG national objective. The Program's primary pathway is Low- and Moderate-Income Housing (LMH) under 24 CFR 570.483(b)(3), consistent with the current Action Plan. Urgent Need may be used only when MDA-CID documents that the project meets the applicable statutory or Universal Notice alternative criteria and the approved Action Plan identifies the use.

- Low- and Moderate-Income Housing Benefit (LMH) – 24 CFR 570.483(b)(3)
- Urgent Need (UN) – Universal Notice Section III.B.2 and 24 CFR 570.483(d), as applicable

MDA-CID will document the national objective through the income, sale, and occupancy of the Program-assisted housing units.

5.5.1 Low- and Moderate-Income Housing Benefit (LMH)

To qualify under the LMH national objective, a project must meet the following criteria:

- At least 51 percent of the homes in each approved project must be sold to and occupied as a primary residence by households with income at or below 80 percent of AMI, adjusted for household size, using the MDA-CID-approved income methodology and current HUD limits;
- Every remaining Program-assisted home must be sold to and occupied by a household at or below 120 percent of AMI; and
- Unit designations, buyer income eligibility, affordable sales price, primary residence occupancy, closing, and one-year completion-to-occupancy requirements must be verified and documented before the corresponding unit is reported as an accomplishment.

5.5.2 Urgent Need

While not expected to be the primary national objective for this program, the Urgent Need (UN) national objective may be used for projects where conditions pose a serious and immediate threat to the health, safety, or welfare of the community and cannot otherwise be addressed with available resources.

National objective documentation will be collected at application, prior to award approval, or during the performance period, depending on the objective applied. MDA-CID will review national objective compliance as part of eligibility determination, award approval, monitoring, and closeout. Failure to meet the approved national objective may result in corrective action, repayment, or other remedies consistent with Program policies and executed award agreements.

For more information on National Objectives, please refer to the MDA-CID Policy Manual, Chapter 2: National Objectives and Action Plans.

5.6 Tie-back to the Storm

The project must demonstrate a direct or indirect tie-back to the impacts caused by one or more of the qualifying disasters in 2023 and 2024 by addressing workforce housing needs related to economic recovery activities.

5.7 Eligible Properties and Sites

Eligible properties must:

- Be designed for for-sale residential use
- Be located outside of the 100-year floodplain
- Not be a manufactured or mobile home
- Be on a site that
 - suitable for residential development and meets all environmental, legal, and zoning requirements prior to award or project initiation
 - satisfies 24 CFR part 55 and applicable FFRMS requirements, and is not otherwise prohibited by environmental or site-selection requirements

- is zoned for residential use or show a clear and feasible path to rezoning approval within 90 days of conditional award

5.7.1 Site Control

The applicant must either own the project site or have control of the project site through an executed and CDBG-DR compliant option agreement. This can be documented through any of the following:

- Warranty Deed
- Contract for Sale of Property
- Land Contract
- Long-Term Land Lease
- Firm Option Contract
- Other documentation will be considered on a case-by-case basis

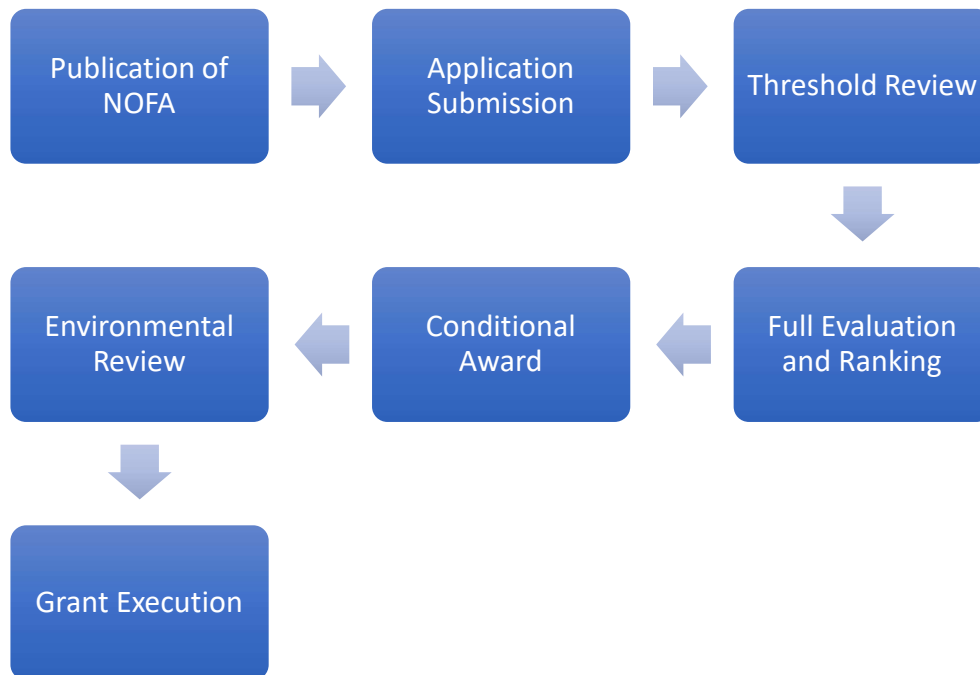
5.8 Homebuyer Eligibility

Award Recipients are responsible for determining the eligibility of all homebuyers applying for WHP assistance. To ensure that WHP assistance supports households prepared for sustainable homeownership, applicants must meet all homebuyer eligibility requirements described in this section.

- Household income must be at or below 120% of Area Median Income (AMI), as published annually by HUD and adjusted for household size. Note that 51% of the units must be sold to households at or below 80% of AMI.
- Homebuyers must comply with all federal Duplication of Benefits (DOB) requirements.
- Homebuyers must complete a HUD-certified pre-purchase homebuyer education course. Certificates of completion must be dated within the last twelve (12) months before the home purchase. Award Recipients are responsible for verifying completion.
- Homebuyers must certify that they are purchasing the home as their primary residence and not as a second home, vacation home, seasonal rental, etc.
- Homebuyers must meet federal immigration eligibility requirements under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), including completion of required verification (e.g., SAVE).

6 Application Process

The following section provides an overview of the project workflow from application submission, evaluation, selection, to implementation. The general process is summarized in the following chart:



6.1 Project Application Submission

MDA-CID will publish a Notice of Funding Availability to each of the eligible MIDs. The Notice will set the project application submission window, provide application submission instructions, specify documentation submission requirements, and clarify the final evaluation and scoring criteria by which the Program will use to rank and award projects. Notice will be posted on the MDA-CID disaster-recovery website, and social media, and will be made accessible to persons with disabilities and persons requiring language assistance.

All applications will be first reviewed for completeness. The completeness review is not an analysis of the submitted information and documents, but rather to confirm that application files include all required information and documents and that nothing is left blank. Only complete applications will undergo an eligibility review to confirm that all minimum eligibility and threshold requirements are met. Only eligible applications will advance to a full evaluation.

The full application package must be submitted by the deadline established in the NOFA. Late or incomplete submissions will be considered non-responsive. However, the Program reserves the right to request minor clarifications or administrative corrections from applicants, provided such updates do not materially affect eligibility or scoring.

6.2 Eligibility Threshold Criteria

Applicants must meet all threshold criteria listed below prior to proceeding to the full evaluation and ranking.

1. **Eligible Applicant:** For-profit and non-profit, nongovernmental organizations are eligible applicants. The application must demonstrate experience or capacity in developing affordable

housing, and must demonstrate experience or capacity in meeting the program's requirements.

2. **Eligible Project Location:** Must be located within the HUD MID area as defined in the HUD-approved Action Plan. Projects may not be in a regulatory floodway and must be sited outside the 100-year floodplain.
3. **Disaster Tie-Back:** Project must demonstrate a direct link to housing needs triggered or aggravated by the 2023-2024 Disaster Events, including unit loss, household displacement, or unmet needs in impacted counties or communities;
4. **LMH National Objective:** The project must meet the Low- and Moderate-Income Housing (LMH) National Objective by ensuring that the project is structured so that 51% of assisted units are restricted for LMI households at or below 80% AMI and the remainder are restricted for households at or below 120% AMI;
5. **Financial Viability:** Preliminary budget and financing plan must show that the proposed development is feasible and consistent with cost standards.
6. **Complete and Timely Submission:** Application and all required documentation must be submitted in full by the NOFA deadline. Applications that fail to meet the threshold criteria shall be disqualified and shall receive a disqualification letter/email sent to the point of contact listed in the application.

6.3 Full Evaluation and Ranking

Only the applications that meet program eligibility thresholds will undergo a full evaluation using the evaluation methodology detailed in the NOFA which includes, but is not limited to, the following:

- Financial feasibility/cost reasonableness of the proposed development
- Site location as it related to planned economic development projects, transportation, etc.
- Overall project design/concept including mitigation measures
- Timeline to complete the project
- Development team capacity and experience
- Local Community Support

Once all eligible applications are evaluated, the entire application portfolio will be ranked from highest to lowest by score.

6.4 Project Selection and Award

To ensure that funding under the program reaches all MID areas, MDA-CID will select the highest-scoring project from each MID, provided that the project meets threshold requirements. The remaining projects will then be selected in order of ranking, no matter the MID in which the project is located, as the program's budget allocation allows. A project that is not selected may later be funded as an alternate in the event an awarded project is not implemented. See Appendix B for a visualization of a hypothetical project selection methodology.

Following evaluation and ranking, MDA-CID will finalize project awards in accordance with program requirements and HUD regulations. Upon verification of an Applicant's eligibility and eligibility of the projects proposed for CDBG-DR funding, MDA-CID will issue a conditional award letter confirming intent to move forward with the project. Upon acceptance of the conditional award, MDA-CID will conduct any necessary capacity assessments and execute an agreement with the applicant.

When CDBG-DR funds are awarded, a binding agreement will be executed between MDA-CID and the Applicant, as either a Subrecipient or Developer, for the specific amount awarded and for the particular activity selected. The agreement describes the activities funded, budgeted costs (total and CDBG-DR), an implementation schedule, general terms and conditions, and any special conditions which must be met before the State will release funds.

If changes to the agreement are needed, the Award Recipient shall prepare the required forms and submit the necessary information pursuant to Section 2.3 of the CDBG-DR Implementation Manual. MDA-CID reserves the right to withdraw or adjust awards if conditions are not met, or if a project fails to maintain progress.

6.4.1 Award Caps

Awards under this Program will be limited to 40% of total project costs up to \$4,000,000. Each project application must include a cost estimate that aligns with the requested amount of funding, with considerations for contingencies and overruns, plus any additional funding sources needed to complete the project. The applicant will be required to indicate commitment of all other funding needed to complete the entire scope of the proposed project before an award can be made. Exceptions to this award cap will be considered on a case-by-case basis. Refer to Section 11.4.

6.5 Project Commencement and Implementation

Following the award of an activity, the Award Recipient is expected to promptly initiate all necessary steps for project implementation. These steps may include, but are not limited to, procurement of necessary professional services for project management, environmental review, completing architectural and engineering and design work for the project.

The completion of the appropriate environmental review is especially important since program funds cannot be disbursed until the Award Recipient has received environmental clearance for each eligible activity. **(Please note that no choice-limiting actions can be undertaken before the environmental review process is completed. See Avoiding Choice Limiting Action section of these guidelines for more details.)**

Upon completion of the environmental review process and the receipt of an Authority to Use Grant Funds (AUGF) form (for construction activities and other hard costs), the Award Recipient will carry out the approved activity(ies) in accordance with the agreement. The Award Recipient must validate that all construction work meets the criteria for construction standards established in the Construction Standards section of these guidelines.

Throughout the implementation phase, the Award Recipient will be responsible for monitoring of the activity(ies), data collection, and quarterly reporting, to ensure compliance with federal grant requirements. The Program will provide technical assistance and training to Award Recipients, as needed, throughout the life of the project.

7 Construction Standards and Requirements

Before construction can begin, Program staff will review each project to confirm that the project is ready to proceed and all conditions required prior to construction have been met. Award Recipients must provide documentation to support the following:

- Finalized and approve construction plans and specifications
- Site control and zoning approvals
- Procurement documentation for contractors and vendors
- Proof of insurance, bonding and required permits
- Completion of environmental clearance under 24 CFR Part 58

All projects funded under WHP must meet federal, state, and local property standards that ensure safety, resilience, long-term habitability, and environmental quality. Mitigation measures should be incorporated into all construction activities where determined to be necessary and cost reasonable, in accordance with applicable HUD guidance and local code requirements, and program goals for increased resilience.

7.1 Debarment and Suspension Policy

Prior to awarding any prime contract, the Award Recipient is responsible for verifying the eligibility of the prime contractor and maintaining verification documents in the file. To assist in this process, the Award Recipient must request contractor clearance from the Program by submitting a cover letter containing the contractor's identifying information and a Certificate of Good Standing for the contractor from the Mississippi Secretary of State website's business search page found at:

<https://corp.sos.ms.gov/corp/portal/c/page/corpbusinessidsearch/portal.aspx#>

Upon receipt of the Award Recipient's request, WHP will check the contractor's eligibility online at the System for Award Management's (SAM) Entity Information page at <https://sam.gov/content/entity-information>. If no exclusions are found for the contractor, the WHP will provide the Award Recipient with a clearance letter and support documentation from the SAM website showing that the contractor is eligible to receive Federal funds.

Verification of subcontractor eligibility is the responsibility of the prime contractor and should be addressed at the pre-construction conference. If there is reason to believe that a subcontractor is ineligible, further inquiry should be conducted to learn the subcontractor's status. An ineligible subcontractor must be terminated. Contractor eligibility can be checked online at the SAM Entity Information page at: <https://sam.gov/content/entity-information>.

Award Recipients are responsible for ensuring that prime contractors complete debarment verification/contractor clearance for third party contractors. Records of those verifications for all third-party contractors (and verification of the prime contractor by the Award Recipient) must be maintained in the files of the prime contractor and/or Award Recipient and made available for review by MDA-CID or HUD during monitoring visits.

7.2 Bonding, Insurance and Warranties

Award Recipients must comply with the minimum bonding requirements of 2 CFR 200.325 and must maintain insurance for the duration of the agreement. Award Recipients must require, at a minimum, a one (1) year general warranty. Homebuyers are to be provided with a copy of the warranty package upon release of keys to the program-assisted property. Warranties must cover the entirety of the program-assisted unit.

The Award recipient is responsible for providing the warranty and addressing any valid warranty issues which arise during the coverage period. If an applicant chooses to make modifications, additions, or to otherwise affect or alter the assisted property during the warranty period, the warranty will be void and the Award Recipient will not be responsible for any repairs. The Award Recipient must provide formal periodic notifications to beneficiaries prior to warranty expiration, including at least six (6) months and one (1) month before expiration where sufficient time remains in the warranty period, and will document such notifications in the applicant file.

7.3 Contractor Fraud Prevention

Award Recipients must develop a process for homeowners to report construction defects, warranty violations, contractor fraud, or related issues. This process must, at a minimum, contain:

- Reporting instructions to be provided to each beneficiary at closing and again during warranty period notices
- Multiple methods of submitting complaints (i.e. online form, email, phone, mail)
- Procedures for logging complaints, verifying issues and initiating corrective actions
- Documentation standards for documenting contact with beneficiaries, contractor responses, and resolution actions
- Escalation criteria and timelines for forwarding unresolved or serious complaints to MDA-CID
- Protocols for cases involving fraud and misconduct

Award Recipients must maintain complete records of all complaints, actions taken, communications with contractors, and outcomes. Failure to implement or follow the plan may result in corrective action, suspension of reimbursements, or other enforcement measures.

8 Payment and Reimbursement

Funds will be disbursed on a reimbursement basis. Award Recipients must first incur eligible costs, maintain supporting documentation, and submit a request for reimbursement to MDA-CID for review and approval. The reimbursement method ensures compliance with 2 CFR § 200.305 and HUD's financial management standards. For activities implemented by MDA-CID, payment process will follow MDA-CID internal financial policies and procedures.

Award Recipients must submit reimbursement requests to MDA-CID through a Request for Cash (RFC). Award Recipients are responsible for ensuring that charges are valid, reasonable and in compliance with contractual terms. Award Recipients must submit all copies of the RFC form, support sheets and proper documentation to MDA-CID. If forms are to be signed by someone other than the individual(s) who signed the Subgrant/Developer Agreement, a letter must be on file with the MDA-CID authorizing the party(ies) to sign on behalf of the Award Recipient. Expenses should be submitted in a timely manner.

The MDA-CID Program Manager will validate funding availability and budget tracking by project prior to authorizing the request. The Program Manager will confirm that expenses were submitted in a timely manner, signed by authorized party(ies) and contain adequate supporting documentation. The RFC and supporting documentation will be retained by the Finance and Reporting Department and are subject to audit and review by State and Federal auditors.

The MDA-CID Finance and Reporting Department will validate that the RFC has been authorized in accordance with the Schedule of Authorizations (See, CDBG-DR Implementation Manual) and that supporting documentation is sufficient.

After the RFC has been reviewed and approved, it will be entered and processed in MAGIC as a claim. Once the claim has been fully processed, the Mississippi Department of Finance and Administration (DFA) initiates payment to the Award Recipient. in accordance with the instructions in Chapter 3.4: Cash Management, of the MDA-CID Policy Manual.

Refer to the CDBG-DR Implementation Manual for further information on the RFC process including instructions for completing the required forms.

9 Program Administration

This section describes the administrative systems, controls, and oversight processes used to manage the Program. It outlines how MDA-CID will ensure Program activities are implemented consistently, transparently, and in compliance with CDBG-DR requirements and the HUD-approved Action Plan.

9.1 System of Record

MDA-CID will maintain a comprehensive System of Record (SOR) to support implementation, oversight, monitoring, audit, and closeout of the Program and to ensure continued compliance with all applicable federal requirements. The System of Record serves as the authoritative source for program documentation, verification, and reporting activities.

The SOR will support the full lifecycle of Program activities, including application intake, eligibility determinations, underwriting, award administration, disbursement tracking, performance monitoring, compliance reviews, and closeout. MDA-CID retains responsibility for oversight of data quality, system access, and compliance with documentation and record retention requirements.

9.1.1 Disaster Recovery Grant Reporting

HUD's Disaster Recovery Grant Reporting (DRGR) system serves as the official federal system of record for grant-level financial and performance reporting, as required by the Universal Notice. MDA-CID is responsible for ensuring that all Program activities are reported in DRGR in a timely, accurate, and complete manner.

DRGR reporting will include, as applicable:

- Establishment and maintenance of activity-level records;
- Obligations and expenditures;
- Entry and approval of draw vouchers;
- Beneficiary and accomplishment data, including national objective achievement;
- Program income reporting, if applicable; and
- Submission of required quarterly performance narratives and reports.

Designated MDA-CID staff with DRGR access are responsible for entering, reviewing, and certifying DRGR data. Information entered into DRGR must be supported by source documentation maintained in the Program's internal System of Record and must be reconciled with financial records and performance data to ensure consistency and audit readiness.

Reports and supporting documentation will be used to inform and support quarterly DRGR updates. MDA-CID will maintain centralized records to support HUD monitoring and audit activities and will respond promptly to HUD requests for information or documentation. All DRGR-related records will be retained in accordance with applicable HUD recordkeeping requirements.

9.1.2 Internal System of Record

In addition to DRGR, MDA-CID will maintain a secure internal system to manage program documentation not captured in DRGR. This system will support organized, auditable recordkeeping and will incorporate appropriate document management controls, including standardized file organization, version control, access restrictions, and audit trails.

9.1.3 Required Records

The SOR must contain sufficient documentation to demonstrate compliance with all Program requirements. At a minimum, records will include, as applicable:

- **Administrative Records:** Applications, eligibility determinations, underwriting documentation, award approvals, executed agreements, amendments, and correspondence;
- **Financial Records:** Approved budgets, reimbursement requests, invoices, proof of payment, draw documentation, program income records (if applicable), and reconciliation reports;
- **National Objective and Beneficiary Records:** Current HUD income limits; purchaser applications and income calculations with supporting documentation; primary-residence certifications; executed sales contracts; settlement statements; deeds and recorded restrictions;
- **Duplication of Benefits (DOB):** DOB determinations, certifications, calculations, and re-verification documentation, as applicable;
- **Compliance and Monitoring:** Monitoring reports, corrective action plans, responses, and resolution documentation;
- **Closeout Documentation:** Certificates of occupancy, final inspections, warranties, sales and beneficiary documentation, lien releases, final sources and uses, program-income and DOB reconciliation, final performance report, and closeout approval.

Records must be organized in a manner that allows for efficient review and retrieval during monitoring, audit, or oversight activities. The MDA-CID requires all Award Recipients receiving CDBG-DR funds to maintain a comprehensive subgrant file system. The file system checklist, which can be found in the CDBG-DR Implementation Manual, was developed to help Award Recipients ensure that their subgrant files are complete and up to date. The files must contain, at a minimum, the documents on the checklist (or their equivalent). **Failure to maintain an adequate system as determined by MDA-CID staff may result in a monitoring finding.**

9.1.4 Data Integrity, Access, and Security

All records will be maintained in a manner that ensures data integrity, confidentiality, and accessibility for authorized personnel. MDA-CID will implement safeguards to protect sensitive information, including personally identifiable information (PII) and proprietary business data.

Access to the SOR will be role-based and limited to authorized users. Systems must allow for reliable data backup and must be capable of producing accurate and complete records upon request for monitoring, audit, or litigation purposes.

9.1.5 Record Retention

MDA-CID will comply with all applicable federal and state record retention requirements. In accordance with 24 CFR 570.490(d) and 24 CFR 570.506, all CDBG-DR program records must be retained for a minimum of three (3) years, unless a longer retention period is required due to audit findings, litigation, or other unresolved compliance matters.

The retention period will begin on the latest of the following:

- Three (3) years after submission of MDA-CID's final expenditure report (to HUD);
- Three (3) years after termination or expiration of the MDA-CID CDBG-DR grant with HUD or executed agreement with MDA-CID; or
- Three (3) years after submission of the DRGR report in which the activity was last reported.

Record retention requirements will be incorporated into all subrecipient, developer and contractor agreements. The following records are to be maintained by the Award Recipient.

- At a minimum, the Award Recipient's closeout file should contain a copy of the subgrant closeout package as well as all applicable documents listed on the file system checklist.
- Equipment- Pursuant to 2 CFR § 200.313(d), property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property including the Federal Award Identification Number (FAIN), who holds title, the acquisition date, and cost of the property, the percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two (2) years.
- Real Property- Records to be retained include, but are not limited to, documentation of the acquisition, improvement, use and disposition of real property acquired or improved with CDBG-DR assistance.

9.1.6 Access to Records

Consistent with applicable federal and state requirements, MDA-CID must provide HUD and other authorized oversight entities with reasonable access to Program records for monitoring, audit, and review purposes. Authorized entities include, but are not limited to:

- HUD and HUD's Office of Inspector General (OIG);
- Comptroller General of the United States;
- The U.S. Government Accountability Office (GAO);
- State and independent auditors; and
- The public, in accordance with state public records law and federal requirements, subject to applicable exemptions for confidential or proprietary information.

9.2 Performance and Reporting

MDA-CID will establish and maintain a performance and reporting framework to ensure the Program is implemented in a transparent, accountable, and results-driven manner. This framework supports compliance with HUD requirements, alignment with the HUD-approved Action Plan, and effective oversight of program progress and outcomes.

Performance tracking will focus on measuring program outputs, outcomes, and compliance milestones to demonstrate that CDBG-DR funds are achieving their intended recovery and resilience objectives.

MDA-CID will track key performance indicators (KPIs) appropriate to the Program to measure progress toward recovery objectives, compliance with CDBG DR requirements, and effective use of funds. Award Recipients are required to submit quarterly progress reports to the MDA-CID on the following dates:

- March 15
- June 15
- September 15
- December 15

The MDA-CID has developed a template for the progress report to be provided to Award Recipients that includes the following deliverables:

- Project name and subgrant identification number, Award Recipient name, address, telephone number, responsible individual
- Activity description and location, including census tract/block group where activities occur
- Year activity was funded
- National Objective being met and how it meets program criteria and type of activity – eligible category
- Financial status for activity, including:
 - Amount of funding authorized (all sources as well as CDBG-DR)
 - Amount of funding expended for the reporting period (all sources)
 - Planned expenditures for the reporting period (all sources)
 - Total expended to date (all sources)
 - Remaining balance (all sources)
- Program income expected to be generated and actually received
- Performance measures
- Milestones completed during the reporting period as they relate to the Statement of Work, schedule for completion and budget (if applicable)
- Roadblocks or delays that prevented milestones from being completed (if any)
- An amended task-based schedule for completing the work

The template for this report can be found on the MDA-CID disaster recovery website as well as in the CDBG-DR Implementation Manual.

9.3 Timeliness

Timely implementation and expenditure of funds are critical components of the Program. MDA-CID is responsible for meeting all HUD-mandated deadlines for obligation and expenditure of CDBG-DR funds, as outlined in the applicable Federal Register Notice, Grant Agreement, and the Universal Notice. Failure to meet required timelines may result in HUD recapturing unspent funds, issuing findings, or placing the grantee on a corrective action plan.

Projections will be monitored to align with program goals and will be uploaded into DRGR and the public website. Quarterly projections will be monitored on an ongoing basis and will be adjusted as necessary to reflect accurate estimates.

9.4 Financial Management

MDA-CID will administer all financial aspects of the Program in accordance with 2 CFR Part 200, applicable CDBG-DR requirements, the Universal Notice, and MDA-CID's financial management processes. These requirements ensure that CDBG-DR funds are used solely for eligible purposes, are properly controlled and documented, and are managed in a transparent and accountable manner.

The Program's financial management framework includes internal controls, documentation standards, and oversight mechanisms designed to safeguard public funds and support program integrity. At a minimum, MDA-CID's financial management system will:

- Clearly identify all CDBG-DR funds received and expended, including required federal award identification information;
- Provide accurate, current, and complete disclosure of financial results at both the program and project levels;
- Maintain records that identify the source and use of funds, including CDBG-DR funds and any program income; and
- Ensure effective control over and accountability for all CDBG-DR funds, property, and assets.

All financial transactions must be supported by sufficient source documentation and retained in accordance with applicable federal and state recordkeeping requirements. Financial activities—including invoicing, reimbursement, draw processing, program income tracking, recordkeeping, and reporting in HUD's DRGR system—are subject to internal review, monitoring, and audit oversight.

9.4.1 Financial Controls

MDA-CID will maintain systems of internal financial controls consistent with 2 CFR Part 200 and the Universal Notice to ensure proper stewardship of CDBG-DR funds. These controls are designed to prevent waste, fraud, and abuse, and to ensure that financial transactions are authorized, accurate, and fully documented.

At a minimum, financial controls will include:

- Segregation of duties to ensure that no single individual controls all aspects of a financial transaction;
- Dual review and approval of payments, reimbursements, and draw requests;
- Regular reconciliation of financial records and accounts;

- Use of standardized forms, systems, and procedures for financial transactions and documentation; and
- Periodic internal and external audits, as required by federal, state, and local policies.

These controls must be applied consistently across all Program activities and are subject to ongoing monitoring to ensure continued compliance with federal requirements.

9.4.2 Budgeting

MDA-CID will maintain a comprehensive Program budget to ensure that funds are allocated, tracked, and expended in alignment with the HUD-approved Action Plan, the Universal Notice, and 2 CFR Part 200.

MDA-CID will track actual expenditures against the approved budget and conduct periodic reviews to assess alignment with program goals and expenditure projections. Budget adjustments will be made in accordance with HUD requirements and MDA-CID's internal approval and change control procedures. For further information regarding budget adjustments and change orders, please refer to Section 2 of the CDBG-DR Program Implementation Manual.

9.4.3 Draw Requests

Disbursements will be based on verified eligible costs and project-delivery benchmarks in the approved agreement. Before authorizing each draw, MDA-CID will confirm environmental clearance, agreement compliance, budget availability, current financing, cost eligibility, construction progress, inspection support, procurement or developer-contracting compliance, labor and Section 3 review when applicable, DOB and program-income status, and absence of unresolved conditions that require payment suspension.

Award Recipients request CDBG-DR funds by submitting a Request for Cash package with supporting documentation to the appropriate WHP program manager. Each Request for Cash package must be accompanied by invoices for services rendered. Each vendor that is requesting payment should submit invoices on its company letterhead or other acceptable forms, such as American Institute of Architects (AIA) pay application forms. Requests for cash will not be processed if not accompanied by all invoices for which payment is being requested. No more than one payment request per award may be submitted per month unless a waiver is granted.

Award Recipients must ensure charges are valid, reasonable and in compliance with contractual terms. Award Recipients are also tasked with submitting expenses for reimbursement in a timely manner. Requests for Payment should be made only in the amounts necessary to meet **current** disbursement needs. A zero balance must be maintained in the Award Recipient's account.

Final draw will require completion of all construction, certificates of occupancy, final inspections and punch-list resolution, final lien waivers, warranties, final certified costs and sources and uses, program-income and DOB reconciliation, required sales or approved disposition of units, and all closeout documentation. The Program may retain funds until remaining conditions are satisfied.

This approach ensures compliance with 2 CFR Part 200, HUD financial management standards, and applicable cash management requirements. For further information regarding requests for reimbursement, please refer to Section 2 of the CDBG-DR Program Implementation Manual.

9.4.4 Program Income

Program income activities must comply with the requirements set out in Section III.B.12 of the Universal Notice, which applies to state or local government grantees, as well as all subrecipients of those grantees. For-profit and non-profit developers are not subject to these program income requirements. Program income and other receipts may arise from sale proceeds, repayments, recapture, interest, disposition, or other income generated by a CDBG-DR-assisted activity. MDA-CID will determine and document whether each receipt is program income, miscellaneous revenue, returned funds, or another category under the Universal Notice. The executed agreement will state whether funds must be remitted to MDA-CID and the timing and reporting requirements.

MDA-CID must:

- Identify, track, and report program income on a quarterly basis;
- Maintain documentation supporting the receipt and use of program income;
- Use program income in accordance with HUD requirements prior to drawing additional CDBG-DR funds; and
- Return program income to MDA-CID when required by Program policy or HUD guidance.

All program income will be recorded in DRGR in accordance with the Universal Notice and applicable federal requirements. For further information regarding program income, please refer to Section 2.5 of the CDBG-DR Program Implementation Manual.

9.5 Compliance and Monitoring

MDA-CID will implement a comprehensive risk-based compliance and monitoring framework to ensure that all Program activities are carried out in accordance with applicable federal, state, and local requirements, including but not limited to 2 CFR Part 200 (Uniform Guidance), 24 CFR Part 570 (CDBG regulations), 24 CFR Part 58 (Environmental Review), the Universal Notice and the Action Plan. The compliance framework safeguards program integrity, prevents misuse of funds, and supports transparency, accountability, and continuous improvement throughout the program lifecycle.

9.5.1 Grantee Responsibilities

MDA-CID, as the grantee and program administrator, is responsible for oversight of all Award Recipients, contractors, and program activities. Monitoring will follow a risk-based approach, prioritizing higher-risk entities and activities for increased scrutiny. Responsibilities include, but are not limited to:

- Policies and Procedures Compliance – Adhering to published program policies, guidelines, and federal cross-cutting requirements.
- File Review and Eligibility Verification – Routine checks of project files to confirm eligibility, award calculations, duplication of benefits compliance, and supporting documentation.
- Duplication of Benefits (DOB) Compliance – Verification of all funding sources to ensure compliance with Section 312 of the Stafford Act and HUD DOB guidance, including periodic re-verification.
- Environmental Compliance – Ensuring that all projects have completed required reviews under 24 CFR Part 58 prior to obligation of funds, and that environmental clearance documentation is maintained.

- Financial and Procurement Oversight – Reviewing financial records, procurement processes, invoices, and cost allocations to confirm compliance with 2 CFR Part 200 and applicable State procurement standards.
- Civil Rights and Fair Housing Compliance – Ensuring compliance with applicable civil rights laws, Section 3, Americans with Disabilities Act (ADA), and related nondiscrimination obligations.
- Post-Closeout Monitoring – Enforce primary-residence requirements, flood insurance and other continuing covenants, program-income and recapture duties, warranty obligations, and unresolved corrective actions for the full applicable period.

9.5.2 Monitoring Methods

Monitoring will be conducted using a combination of desk reviews, remote reviews, and on-site (or virtual) visits. Reviews will be guided by standardized monitoring checklists and coordinated among program, financial, and compliance staff. MDA-CID's monitoring will assess:

- Organizational capacity, staffing, and internal control systems
- Award Recipient compliance with contract terms and program requirements
- Participant eligibility documentation and project file completeness
- Financial management systems, drawdown practices, and fund controls
- Procurement processes and documentation of competitive practices
- Accuracy of performance metrics, outcomes, and DRGR reporting

Award Recipients will receive advance notice of scheduled monitoring and a request for documentation. After each review, MDA-CID will issue a written monitoring report identifying any observations, concerns, or findings. Award Recipients must provide a written response, including corrective action plans, and demonstrate timely resolution of issues.

Failure to adequately address findings may result in enforcement actions such as suspension of funds, disallowance and repayment of costs, or termination of the subrecipient/developer agreement.

9.5.3 Monitoring Period

MDA-CID will monitor projects from selection and award through construction and closeout, to ensure compliance with HUD regulations. Under 24 CFR § 570.505, when CDBG-DR funds are used to acquire real property, the property must continue to be used for the original assisted purpose during the specified compliance period. Award Recipients are required to reimburse to the program if the use changes before the end of the compliance period.

MDA-CID will verify fulfillment of all long-term obligations as applicable to each project. Such examples may include, but are not limited to, deed restrictions, continued use requirements, operations and maintenance commitments, and insurance requirements. Remaining obligations and associated post-closeout monitoring requirements will be outlined in the respective grant closeout agreement.

9.5.4 Quality Assurance and Recordkeeping

Monitoring results will be tracked in a centralized compliance management system to promote accountability and support continuous improvement. Results will be shared with program leadership and relevant stakeholders to inform staff training, technical assistance, and policy updates.

Monitoring and corrective-action records will be retained under 24 CFR 570.490, 2 CFR 200.334 through 200.338, the Universal Notice, and the executed agreement and will be available to HUD and other authorized oversight entities.

9.5.5 Audits

Federal Financial Management requirements and guidelines are established in 2 C.F.R. Part 200, Treasury Circulars, and HUD regulations. The MDA-CID and its Subrecipients must adhere to the requirements at 2 C.F.R. Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

The Uniform Administrative Requirements require MDA-CID and its Subrecipients to maintain adequate control and accountability over all funds, property, and other assets and ensure that CDBG-DR funds are used solely for authorized purposes.

The CDBG regulations at 24 C.F.R. § 570.502 set forth the applicable uniform administrative requirements that must be adhered to in the administration and implementation of the CDBG-DR program. Notice that there are exceptions to the Uniform Administrative Requirements at 2 C.F.R. Part 200 under CDBG. Where conflicts occur between the definitions in 2 C.F.R. Part 200 and 24 C.F.R. Part 570, the definitions at 24 C.F.R. Part 570 shall govern.

Each non-Federal entity that expends the applicable threshold in Federal awards (all sources) during its fiscal year must obtain a Single Audit or program-specific audit in accordance with 2 CFR part 200, subpart F. For fiscal years beginning on or after October 1, 2024, the threshold is \$1,000,000 under 2 CFR 200.501. Entities below the threshold remain subject to record access, monitoring, and any audit or financial-statement requirements lawfully imposed by MDA-CID based on risk and the executed agreement; MDA-CID will not require an annual audit of the CDBG-DR award merely because subpart F is inapplicable without a separate documented policy and authority.

Award recipients must submit required audit reports through the method and within the period stated in MDA-CID policy and the agreement, disclose findings affecting the Program, and implement corrective action. Project closeout does not alter the entity’s fiscal-year audit obligations. Audit costs are allowable only when permitted by 2 CFR part 200 and the approved budget.

For additional information, refer to Section 4 of the CDBG-DR Implementation Manual.

9.5.6 Non-Compliance

In accordance with federal regulations (2 C.F.R. §§ 200.339–200.343), MDA-CID will take timely and appropriate action in response to any instance of noncompliance. This includes failure to comply with these Program Guidelines, applicable federal and state requirements, or the terms of the executed agreement between MDA-CID and awardee.

Noncompliance may be identified through monitoring, audits, financial reviews, or reporting discrepancies. Upon identification, MDA-CID will issue written notification outlining the nature of the deficiency, required corrective actions, documentation standards, and a deadline for resolution. MDA-CID may work directly with the Award Recipient to develop a corrective action plan with specific milestones and timelines.

If deficiencies are not corrected within the established timeframe, or if the Award Recipient demonstrates a pattern of noncompliance, MDA-CID may escalate remedies. These may include withholding or delaying reimbursements, imposing additional reporting requirements, restricting program activities, amending or suspending the agreement, or recapturing unallowable funds. In severe cases, termination of the agreement may occur. All actions will be documented in the official program file, and Award Recipients will receive written confirmation once compliance has been restored.

For additional information on compliance and monitoring, please refer to the MDA-CID Policy Manual Chapter 17: Management of Program Noncompliance.

9.6 Closeout

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

The MDA-CID Program Manager and Award Recipient of the project engaged in the closeout phase are responsible for generating, completing, and verifying the documentation required for the Closeout Package.

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

Once these reviews are completed and any deficiencies corrected, the final Closeout Package is submitted to the MDA-CID Director and MDA Senior Administration for review and approval. Upon approval, one copy of the Closeout Package is forwarded to the Award Recipient with the original retained by MDA-CID. This will complete the subgrant closeout process. Refer to Section 5 of the Implementation Manual for further information on the closeout process.

10 Other Program and Cross-Cutting Requirements

The Program must comply with requirements that are specific to the CDBG-DR program, as well as the federal grant MDA-CID received (from HUD) for the qualifying disasters. Regulations, laws, and grant-specific requirements that apply to the Program include:

- Uniform Administrative Requirements at 2 C.F.R. Part 200
- Community Development Block Grant Program Regulations at 24 C.F.R. Part 570
- Federal Register Notices allocating funds to the State of Mississippi for disaster recovery, including the Universal Notice and 90 FR 4759 and any subsequent notices, waivers, or amendments issued by HUD
- Davis-Bacon and related Acts (DBRA)
- Applicable State of Mississippi laws and regulations governing procurement, contracting, and financial management

In addition, several federal statutes and regulations outside the CDBG program apply to CDBG-funded activities. These cross-cutting requirements generally apply to all activities delivered by the Federal Government. Award Recipients must follow all cross-cutting requirements, as applicable (see sub-sections below). Additional information on cross-cutting requirements can be found in the MDA-CID CDBG-DR Grant Administration Manual.

10.1 Environmental Review

Every project undertaken with Federal funds, and all activities associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §4231et seq., as well as to the HUD environmental review regulations at 24 C.F.R. § 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.

The Program conducts an environmental review on every project, prior to issuing a program award to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users. Specifically, 24 C.F.R. § 58.22 limitations on activities pending clearance prohibit the commitment or expenditure of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environmental review. The Program environmental review is subject to guidance outlined in the following:

- Environmental Responsibilities (24 C.F.R. § 58)
- Protection of Historic Properties (36 C.F.R. § 800).
- Floodplain Management and Protection of Wetlands (24 C.F.R. § 55).
- Sections 307 (c) and (d) of the Coastal Zone Management Act of 1972 (CZMA), as amended, (16 u.s.c. § 1456).
- Sole Source Aquifers (40 C.F.R. § 149).
- Interagency Cooperation - Endangered Species Act of 1973, as amended (50 C.F.R. § 402).
- Section 7 (b)(c) of the Wild and Scenic Rivers Act of 1968 (WSRA), as amended, (16 U.S.C. § 1278 - Restrictions on Water Resources Projects).
- Air quality provisions as found in Sections 176 (c) and (d) of the Clean Air Act, as amended, (42 U.S.C. § 7506) and in Title 40 of the Code of Federal Regulations (40 C.F.R. Parts 6, 51, and 93).
- Farmland Protection Policy Act (FPPA) (7 U.S.C. § 4201et seq., implementing regulations 7 C.F.R. Part 658, of the Agriculture and Food Act of 1981, as amended)
- Environmental Criteria and Standards.
- Noise Abatement and Control (24 C.F.R. §§ 51.100 - 51.106)
- Siting of HUD-Assisted Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 C.F.R. §§ 51.200 - 51.208)
- Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and
- Accident Potential Zones at Military Airfields (24 C.F.R. § 51 §§ 51.300 - 51.305)
- Toxic/Hazardous Materials (24 C.F.R. § 58.5(i)(2)(i)).

10.1.1 Environmental Clearance

Environmental clearance must be obtained for each project prior to the commitment of federal or non-federal funds. A violation of this requirement may jeopardize federal funding for the project and disallow all costs that were incurred before completion of the environmental review.

- For activities subject to NEPA, this means that HUD may only issue an Authority to Use Grant Funds (AUGF) (HUD Form 7015.16) following publication and completion of required notices and comment periods.
- For activities not subject to NEPA, the review must still demonstrate compliance with applicable authorities under 24 CFR §§ 58.5 and 58.6.

Issues identified during the environmental review may be mitigated before or after the construction process, if feasible. Eligible environmental mitigation measures may be paid for through the Program. If a condition discovered during the environmental review cannot be cleared within program award caps or schedule constraints, the property may be ineligible for assistance.

During the environmental review, the program may determine that, due to extraordinary environmental conditions, the site is not feasible for reconstruction. In these cases, the property may be determined to be ineligible for assistance.

10.1.2 Choice-Limiting Actions

Award Recipients and applicants must avoid undertaking or committing funds to choice-limiting actions before environmental clearance is granted. Prohibited actions include, but are not limited to:

- Acquisition of property, including entering into a Purchase and Sale Agreement and other property acquisition commitments
- Demolition or site clearance
- New construction or rehabilitation
- Leasing or disposition of real property
- Contracts or agreements that legally obligate a project site to these activities

Undertaking any choice-limiting action prior to receipt of the AUGF will render the project ineligible for CDBG-DR assistance and may result in repayment of costs.

10.1.3 Environmental Review Record (ERR)

Each funded project must maintain a complete Environmental Review Record (ERR) documenting compliance with federal requirements. At minimum, the ERR must include:

- Description of the proposed activity
- Determination of the required level of review (Exempt, CENST, CEST, Environmental Assessment, or Environmental Impact Statement)
- Documentation of compliance with applicable laws and authorities
- Mitigation measures to be implemented, if applicable
- Public notices, comment periods, and all correspondence with agencies or stakeholders
- Copies of all completed forms (e.g., Exempt/CENST forms, Request for Release of Funds, AUGF)

The ERR must be retained in project files and made available for public inspection as required under 24 CFR Part 58.

10.1.4 Responsible Entity and Oversight

MDA-CID will serve as the Responsible Entity (RE) for purposes of environmental review and compliance, unless HUD or another agency designates an alternate RE. MDA-CID is responsible for:

- Preparing and maintaining the ERR
- Ensuring accuracy, completeness, and compliance with 24 CFR Part 58
- Coordinating with federal, state, and local agencies to address cross-cutting environmental and historic preservation requirements

MDA-CID, or designee, will sign all certifications and assume legal responsibility for environmental determinations.

10.1.5 Level of Review Based on Activity Type

The level of environmental review is determined by the nature and scope of the proposed activity:

- Exempt Activities – Activities with no physical impact on the environment (e.g., administrative costs).
- Categorically Excluded Not Subject to 58.5 (CENST) – Activities such as technical assistance or supportive services.
- Categorically Excluded Subject to 58.5 (CEST) – Activities such as minor rehabilitation of facilities, public infrastructure improvements, or removal of architectural barriers.
- Environmental Assessment (EA) – Required for activities not Exempt or Categorical, to determine whether the project will have significant environmental impacts.
- Environmental Impact Statement (EIS) – Required only if the EA determines that a project will significantly affect the quality of the human environment.

MDA-CID will make determinations on a case-by-case basis and provide technical assistance to applicants.

10.1.6 Adoption of Other Federal Reviews

Where another federal agency (e.g., FEMA) has already conducted an environmental review for substantially the same site and scope of work, MDA-CID may adopt that review in compliance with HUD's Universal Notice requirements. Adoption requires:

1. Retention of the full federal agency review file in the ERR.
2. Verification that the scope of work is substantially identical, documented with a memorandum to file.
3. Submission of a Request for Release of Funds (RROF) and notification to HUD identifying the adopting agency, project name, and date of the original review.

10.1.7 Technical Assistance

Award Recipients are required to consult with MDA-CID prior to undertaking any project activity that may trigger environmental review requirements. Technical assistance will be provided to ensure compliance with federal, state, and county environmental regulations. HUD resources such as the

Environmental Review Toolkit will be made available, alongside state-specific guidance and program manuals.

For additional information, please refer to the MDA-CID Policy Manual Chapter 5: Environmental Requirements.

10.2 Section 3

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u) and its implementing regulations at 24 CFR Part 75 are intended to ensure that, to the greatest extent feasible, employment, training, and contracting opportunities generated by HUD financial assistance are directed to low- and very low income persons and to businesses that provide economic opportunities to such persons. All Program activities will comply with Section 3 requirements where applicable.

Because the Program funds new housing construction, covered projects are expected to trigger Section 3 when the applicability threshold and other conditions in 24 CFR part 75 are met. MDA-CID will make and document the applicability determination before solicitation and agreement execution; include required clauses and labor-hour reporting terms; establish numerical benchmarks; and monitor recipient, contractor, and subcontractor performance.

Section 3 applicability will be determined on a case by case basis based on the scope and nature of the funded activity and will be documented as part of the award process. Where applicable, Award Recipients will be required to comply with Section 3 requirements, including making good faith efforts to provide employment, training, and contracting opportunities consistent with federal regulations and Program policies.

Detailed Section 3 procedures, including applicability thresholds, benchmarks, documentation requirements, reporting protocols, and compliance standards, are established in Section 3.6 of the CDBG DR Implementation Manual, as amended. Award Recipients are responsible for complying with those requirements as a condition of receiving Program funds.

MDA CID will monitor Section 3 compliance, where applicable, through award conditions, documentation review, and monitoring activities. Failure to comply with applicable Section 3 requirements may result in corrective action or other remedies consistent with Program policies and executed award agreements.

10.3 Labor Compliance

MDA-CID will determine Davis-Bacon and Related Acts (DBRA) applicability project by project before construction solicitation, based on the housing type, number of units on the property or project, funding structure, applicable waivers, and current HUD guidance. The determination and applicable wage decision must be documented and incorporated into bid and contract documents before award.

When DBRA applies, the award recipient and MDA-CID will perform contractor eligibility checks, wage-decision and clause inclusion, preconstruction conference, certified-payroll review, worker interviews, restitution and violation resolution, and final labor clearance.

Detailed labor compliance requirements, including applicability determinations, wage determinations, contract provisions, certified payroll requirements, documentation standards, monitoring procedures,

and enforcement protocols, are established in the CDBG-DR Implementation Manual, as amended, and the MDA-CID Policy Manual. Award Recipients are responsible for complying with those requirements.

MDA-CID will fully monitor labor standards compliance, as applicable. Failure to comply with applicable labor standards may result in corrective action, withholding or suspension of payments, repayment of disallowed costs, or other remedies consistent with Program policies and executed award agreements.

10.4 Duplication of Benefits

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. § 5121 et seq.), prohibits the duplication of federal disaster assistance for the same purpose. In accordance with the Stafford Act and HUD guidance, CDBG DR funds will serve as funding of last resort and will be used only to address verified unmet disaster related needs after all other reasonably available assistance has been considered.

A duplication of benefits occurs when an applicant receives financial assistance from multiple sources for the same recovery purpose and the total assistance exceeds the verified cost of the need. CDBG DR funds may not be used to supplant insurance proceeds, SBA loans, or other federal, state, local, or private funding available for the same disaster related purpose. All assistance provided under the Program will comply with the Duplication of Benefits requirements set forth in Appendix C of the HUD Universal Notice.

10.4.1 DOB Review Framework

A structured Duplication of Benefits analysis will be completed for each Award Recipient prior to award approval and will be reassessed as necessary throughout Program implementation. At a minimum, the Program will apply the following framework:

1. **Identify Total Need** – Determine the total eligible cost of disaster recovery activities.
2. **Identify Total Assistance Received or Available** – Identify all reasonably identifiable assistance received or available from other sources for the same purpose.
3. **Exclude Nonduplicative Assistance** – Exclude amounts for a different purpose and amounts for the same purpose used for a different eligible cost only when supported by reliable documentation;
4. **Calculate DOB Amount** – Determine the amount of assistance, if any, that would duplicate CDBG-DR funds.
5. **Determine Final Award Amount** – Subtract the DOB amount from the total eligible need to establish the maximum eligible CDBG-DR award, subject to Program limits.
6. **Reassess Unmet Need** – Reevaluate DOB if additional assistance becomes available or if project costs change.

No CDBG-DR funds will be awarded or disbursed in excess of the verified unmet need.

10.4.2 Ongoing Compliance and Subrogation

As a condition of receiving CDBG-DR assistance, Award Recipients will be required to execute a subrogation or repayment agreement requiring the repayment of assistance later received for the same purpose as the CDBG-DR funds. Such agreements will include the following warning language:

“Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. §§ 2, 287, 1001 and 31 U.S.C. § 3729.”

Award Recipients must notify MDA-CID if additional assistance is identified after award or disbursement. MDA-CID will reassess unmet need and may pursue repayment or recapture, as necessary, to ensure continued compliance with DOB requirements.

MDACID will monitor DOB compliance, including compliance with subrogation requirements, for a limited period following project completion, as established in Program policy and the Implementation Manual.

10.4.3 Implementation Guidance

CDBG-DR funds may not be used to supplant or replace other funding sources that a subrecipient has already committed, budgeted, or is otherwise legally obligated to use for the same project purpose. The intent of this prohibition is to ensure that federal disaster recovery funds supplement—rather than substitute for—existing local, state, or other federal resources.

Consistent with MDA-CID Policy Manual, Chapter 10: Duplication of Benefits, the Program will verify whether FEMA or USACE funds are available for the activity, or whether activity costs are reimbursable by FEMA or USACE, before awarding CDBG-DR assistance for the same costs; CDBG-DR funds will not be used for costs available or reimbursable by FEMA or USACE.

Award Recipients must certify that CDBG-DR funds are not being used to offset costs that are already covered by another funding source or required local match. MDA-CID will review project budgets, funding commitments, and financial statements to verify compliance. Projects found to have supplanted other committed funds may have their awards reduced or be required to repay CDBG-DR funds.

For additional information, please refer to the MDA-CID Policy Manual, Chapter 10: Duplication of Benefits.

10.5 Procurement

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

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

DFA:

<https://www.dfa.ms.gov/sites/default/files/Office%20of%20Purchasing%2C%20Travel%20and%20Fleet%20Home/Resources%20Manuals%20Guidelines/procurement-manual.pdf>

PPRB:

<https://www.dfa.ms.gov/sites/default/files/Personal%20Service%20Contract%20Review%20Home/Rules%20and%20Regulations/pprb-opscr-rules-and-regulations-effictive-01182020.pdf>

Accordingly, when procuring property and services under CDBG-DR grants, the procuring entities, including Subrecipients and nonprofits, are required to follow state procurement policies and procedures in conformity with state statutes and implementing regulations issued by MS DFA and PPRB. Under WHP, for-profit entities will also be required to adhere to the procurement policies set forth in the DFA Procurement Manual. Award Recipients are responsible for ensuring that the applicable procurement requirements are followed on all CDBG-DR programs/projects and that all purchase orders and contracts include any clauses required by Federal statutes, executive orders and implementing regulations.

Procurement regulations require all parties involved in the negotiation, performance or administration of Mississippi contracts to act in good faith.

Award Recipients must maintain complete procurement records documenting the solicitation, evaluation, selection, and award process. Executed contracts and related documentation must be submitted to MDA-CID prior to requesting reimbursement with CDBG-DR funds. MDA-CID will monitor procurement activities to confirm compliance; non-compliance may result in costs being deemed ineligible for reimbursement.

For additional information on procurement, please refer to section 3.4 of the CDBG-DR Implementation Manual.

10.6 Uniform Relocation Act

All acquisition and relocation activities carried out under the Program are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and implementing regulations at 49 C.F.R. Part 24. The Program is also subject to Section 104(d) of the Housing and Community Development Act of 1974 (HCDA), as applicable, and any waivers or alternative requirements contained in HUD's Universal Notice (FR-6489-N-01) or related guidance.

10.6.1 Relocation and Minimizing Displacement

The Workforce Housing Program is designed as a non-displacing, new-construction homeownership program. Program-assisted housing units will be newly constructed and sold to eligible homebuyers. The Program is not expected to acquire, demolish, rehabilitate, convert, or otherwise assist occupied residential property or property occupied by a business, farm, nonprofit organization, or other entity in a manner that would result in permanent displacement or temporary relocation.

MDA-CID will minimize displacement and the adverse impacts of displacement by requiring proposed projects to identify and document site control, current property use, known occupants, tenants, businesses, farms, nonprofit organizations, and any other persons or entities that may be affected by the proposed activity. Before approving an award, authorizing acquisition with CDBG-DR funds, issuing

a notice to proceed, or allowing any other displacement-causing action, MDA-CID will review the project file to confirm whether the proposed activity may trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), Section 104(d) of the Housing and Community Development Act, 24 CFR part 42, 24 CFR part 570, 49 CFR part 24, MDA-CID's CDBG-DR Residential Anti-displacement and Relocation Assistance Plan (RARAP), or any applicable waiver or alternative requirement in the Universal Notice. For further information, please refer to Section 14 of the MDA-CID Policy Manual.

10.6.2 Award Recipient Responsibilities

Award Recipients implementing projects that include acquisition or relocation must:

- Develop and follow written acquisition and relocation procedures consistent with URA and HUD requirements.
- Provide timely notice, advisory services, and assistance to affected persons.
- Plan and budget for relocation costs in advance, considering housing market conditions, acquisition costs, relocation payments, and related professional services.
- Maintain complete records of compliance, including notices, benefit calculations, payment records, and appeals.

Award Recipients must consult with MDA-CID prior to initiating any acquisition or displacement activities to ensure compliance and minimize program risk.

For additional information on relocation assistance, please refer to the MDA-CID Policy Manual, Chapter 14: Real Property Acquisition and Uniform Relocation Assistance.

10.7 Fair Housing, Equal Opportunity, and Civil Rights

All activities funded under the Program will be administered in compliance with applicable federal and state fair housing, equal opportunity, and civil rights laws and regulations. These requirements apply to MDA-CID and all other entities participating in Program implementation.

Program activities will be conducted in a nondiscriminatory manner to ensure equal access for all eligible applicants. No person will be excluded from participation in, denied the benefits of, or subjected to discrimination under the Program on any prohibited basis. Reasonable accommodations and language assistance will be provided, as required, to ensure meaningful access to Program benefits.

Fair Housing requirements include the development of an Affirmative Fair Housing Marketing Plan (AFHMP) for projects that are single-family developments/subdivisions where the applicant intends to sell five (5) or more units. Details regarding the development of the AFHMP as well as other fair housing and civil rights requirements, including compliance standards, complaint procedures, and monitoring protocols, are established in the CDBG-DR Implementation Manual, as amended, and the MDA-CID Policy Manual. Award Recipients are required to comply with those requirements as a condition of Program participation.

MDA CID will monitor compliance with these requirements. Failure to comply may result in corrective action or other remedies in accordance with Program policies and executed award agreements.

10.8 Conflict of Interest

MDA-CID is committed to identifying, preventing, and resolving actual, apparent, or potential conflicts of interest in the administration of the Workforce Housing Program. All Program activities must comply with applicable conflict of interest requirements, including 24 CFR 570.489(h) and the Uniform Administrative Requirements at 2 CFR 200.112 and 200.318(c)(1), as well as applicable state ethics laws and policies.

No employee, officer, agent, consultant, elected official, or appointed official of MDA-CID or any participating entity may participate in the selection, award, or administration of assistance if a conflict of interest exists, whether real or perceived. A conflict of interest may arise when such a person, or an immediate family member or business associate, has a financial or personal interest in a Program-assisted activity or entity.

Failure to disclose or properly address a conflict of interest may result in corrective actions, including disallowance of costs, repayment of funds, or other remedies consistent with Program policies and applicable law.

11 General Provisions

11.1 Complaints

At any time throughout the course of the program, a citizen may directly contact MDA-CID or HUD to submit a complaint related to its CDBG-DR grant application, grant administration, or program implementation processes.

In accordance with guidance outlined in the Universal Notice, MDA-CID will provide a timely written response to every written complaint it receives. Complaints will be addressed within fifteen (15) calendar days of receipt, when practicable. If a complaint cannot be addressed within fifteen (15) calendar days, MDA-CID will notify the complainant of the need for additional time, provide an estimated resolution/response timeframe, and document why additional time for the response is needed.

Persons who wish to submit formal written complaints related to the Program may do so by submitting them to MDA-CID or HUD at the following addresses:

Director of Monitoring
MDA-CID Disaster Recovery
Attn: Complaints
Post Office Box 849
Jackson, Mississippi 39205
Email: CIDprocessing@mississippi.org

U.S. Department of Housing and Urban Development
Atlanta Regional Office
77 Forsyth Street SW
Atlanta, GA 30303

Although formal complaints must be submitted in writing, complaints may also be received verbally or by other means necessary, as applicable, when it is determined that the citizen's particular circumstances do not allow the complainant to submit a written complaint. In these instances, citizens may call 866-981-7727 Monday thru Friday from 8:00am-5:00pm.

11.2 Appeals

Applicants wishing to contest a program determination may submit a written appeal to the designated program contact via electronic or postal mail within 15 calendar days of the date of the decision being appealed. Appeals submitted after this window will not be considered.

Appeals challenging established program policies, federal regulations, or statutory requirements will not be considered.

All appeals must be based on individual facts or circumstances relevant to the applicant's case and should include:

- The applicant's full name, contact information, and application ID (if available)
- A clear statement of the issue being appealed
- Supporting documentation or justification, if applicable

MDA-CID will review the appeal using only the existing case file and any new documentation provided and will attempt to resolve each appeal (documented in writing) within 30 calendar days, unless additional time is required, in which case the applicant will be notified in writing.

All appeals should be submitted to:

Appeals Coordinator – Workforce Housing Program
MDA-CID Disaster Recovery
Post Office Box 849
Jackson, Mississippi 39205

11.3 Fraud, Waste and Abuse

MDA-CID is committed to the responsible management of CDBG-DR funds and will maintain strong internal controls to facilitate prevention of fraud, waste, abuse, and mismanagement of funds.

Pursuant to Section II.A.1.d of the Universal Notice, Grantees and Award Recipients must have adequate policies and procedures in place to prevent fraud, waste, and abuse and to provide CDBG-DR beneficiaries with information to prevent, become aware of, and assist in reporting, the same. MDA-CID encourages any individual who is aware of or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the MDA-CID Monitoring Department, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

11.3.1 Reporting Fraud, Waste, Abuse or Mismanagement

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the MDA-CID Monitoring Department, the Office of the State Auditor, directly to the Office of the Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

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

REPORT TO MDA-CID	
Postal Mail	Director of Monitoring MDA-CID Disaster Recovery Attn: AFWA Post Office Box 849 Jackson, MS 39205
Email	cidprocessing@mississippi.org

REPORT TO OFFICE OF STATE AUDITOR	
OSA Hotline	1-800-321-1275
Postal Mail	Office of State Auditor Attn: Investigative Division 501 N. West Street, Suite 801 Woolfolk Bldg. Jackson, MS 39201
Internet Website	www.osa.state.ms.us
REPORT TO HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 1-787-766-5868 (Spanish)
Postal Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	HOTLINE@hudig.gov

It is possible that a citizen may disclose acts of fraud, waste, or abuse of CDBG-DR funds to any MDA-CID staff. When such an occurrence takes place, the MDA-CID employee should immediately record, either orally or in writing, all information given to him or her. The employee will treat all such information as extremely confidential and only share the information with the MDA-CID Director of Monitoring. MDA-CID's ultimate goal is to ensure that no such information disclosed to any employee will be rejected or lost.

While reporting acts of fraud, waste, or abuse, the complainant may choose to remain anonymous or request that their contact information remain confidential. However, the complainant should be able to provide the following basic information, to the extent known, regarding the incident:

<i>Who was involved?</i>	Name(s) and phone(s) number(s), if available
<i>What happened?</i>	Summary of events, additional sources of evidence; loss to the CDBG-DR Program
<i>When did it happen?</i>	Date or range of dates, time and frequency
<i>Where did it happen?</i>	Location; city & state
<i>Why?</i>	Gain to the person who allegedly committed the fraud, waste, abuse, or mismanagement
<i>How did it happen?</i>	Narrative of complainant's description of incident or scheme

Incomplete or vague information can result in the inability to investigate the allegations reported. Although proof of improper activity is not required at the time the incident is reported, anyone reporting fraud, waste, abuse, or mismanagement must have reasonable grounds for doing so.

MDA-CID's Director of Monitoring will refer reported instances of fraud to OSA and/or HUD's OIG Fraud Hotline (via phone 1-800-347-3735 or via email at hotline@hudoig.gov) if there is a basis for doing so.

11.4 Exceptions to Program Policies

These guidelines set forth the policies governing the program. While these program guidelines govern the program, it should not be considered exhaustive instructions for every potential scenario that may be encountered by the Program.

At times, exceptions to program policies and/or procedures may be warranted. All exception requests will be reviewed and adjudicated on a case-by-case basis as the need arises, at the sole discretion of MDA-CID. Exceptions may be granted to program policy or process. However, exceptions to federal regulations, laws, or statutes will not be authorized.

11.5 MDA-CID Administrative Policies

As a recipient of CDBG-DR funds, there are several policies, procedures, and regulations which apply to all Programs, projects, and initiatives undertaken as part of MDA-CID's CDBG-DR grant. These policies and procedures are outlined in the MDA-CID Policy Manual. This Manual covers topics such as financial management, fair housing, conflicts of interest, recordkeeping, and others. The requirements described in the MDA-CID Policy Manual apply to all Programs outlined in the State of Mississippi Action Plan for Disaster Recovery and any amendments thereto, including the Workforce Housing Program which will be posted on the MDA-CID disaster recovery website.

[END PROGRAM GUIDELINES]

Appendix A: Definitions

Applicant: A local nonprofit or for-profit nongovernmental organization that submits a Workforce Housing application. Applicant status does not determine whether the entity will be a subrecipient, developer, owner, contractor, beneficiary, or other participant after selection.

CDBG-DR (Community Development Block Grant – Disaster Recovery): Federal funding administered by HUD and allocated to MDA-CID to support long-term recovery, restoration of infrastructure, housing, and mitigation activities following the 2023 and 2024 tornadoes.

Action Plan: The HUD-approved document prepared by MDA-CID describing how CDBG-DR funds will be used to address recovery and mitigation needs from the 2023 and 2024 tornadoes. The Action Plan outlines eligible activities, program requirements, and allocation amounts.

Cross-Cutting Requirements: Federal statutes, regulations, and executive orders that apply across federally funded programs. These include labor standards, environmental review, fair housing, Section 3, and nondiscrimination laws.

Duplication of Benefits (DOB): Occurs when a person, business, or entity receives financial assistance from multiple sources for the same recovery purpose, and the total assistance exceeds the total need. DOB is prohibited under the Stafford Act.

Environmental Review: A review process required under the National Environmental Policy Act (NEPA) and 24 CFR Part 58 to evaluate the environmental impacts of all CDBG-DR funded projects before implementation.

Federal Register Notice (FRN): An official HUD-issued notice published in the Federal Register establishing the rules, waivers, and alternative requirements governing each allocation of CDBG-DR funds.

Floodplain: FEMA-designated geographic areas subject to varying levels of flood risk, including special flood hazard areas.

HUD: The U.S. Department of Housing and Urban Development, the federal agency that administers the CDBG-DR program.

Implementing Entity: MDA-CID or an entity authorized through an executed agreement to perform specified Program functions. The agreement must define the entity's legal role and responsibilities.

Low- and Moderate-Income Housing (LMH) National Objective: The housing national objective at 24 CFR 570.483(b)(3), under which an activity provides or improves permanent residential structures occupied by qualifying low- and moderate-income households, as operationalized for this Program by the current Action Plan and these Guidelines.

Most Impacted and Distressed (MID) Areas: Geographic areas designated by HUD as having experienced the greatest disaster impacts.

Notice to Proceed (NTP): A written concurrence issued by MDA-CID authorizing an Award Recipient to begin project implementation or construction activities. The NTP is issued only after all pre-

construction conditions, such as environmental clearance, Authority to Use Grant Funds, and procurement concurrence, are satisfied.

Program Income: Gross income generated from the use of CDBG-DR funds and received by MDA-CID or an entity whose receipts are attributable to the State under the Universal Notice including applicable sale proceeds, repayments, interest, recapture, or disposition proceeds. Classification depends on the recipient, transaction, timing, and controlling agreement.

Primary Residence: The dwelling that the purchaser occupies as the purchaser's primary home, as certified and verified under MDA-CID homebuyer procedures. Investor, second-home, and vacation-home occupancy does not qualify.

Subrecipient: An entity that receives CDBG-DR funds from MDA-CID to carry out an eligible activity on the State's behalf and that satisfies the definition applied to state grantees through the Universal Notice and 24 CFR 570.500(c). MDA-CID will document the classification before agreement execution.

Subrecipient Agreement (SRA): A written agreement satisfying 24 CFR 570.503, as modified by the Universal Notice, that governs an eligible subrecipient's performance of a CDBG-DR activity on MDA-CID's behalf. A developer, contractor, beneficiary, or owner agreement is not an SRA merely because it provides CDBG-DR funding.

Uniform Relocation Assistance (URA): The federal law (42 U.S.C. § 4601 et seq.) governing fair treatment and assistance to persons displaced by federally funded projects, including CDBG-DR funded acquisition or demolition activities.

Universal Notice: The HUD Community Development Block Grant – Disaster Recovery (CDBG-DR) Universal Notice, published January 8, 2025, at 90 FR 1754, as amended by Memorandums 2025-02 and 2025-03 and as subsequently amended, which establishes the standard requirements, waivers, and alternative procedures that apply to all CDBG-DR grants. It serves as the governing federal framework for program design, financial management, and compliance across all disaster recovery activities.

Appendix B: Project Selection Approach

The following is an illustration of the project selection approach as stated in the Project Selection and Award section. In order to encourage equity of funding throughout the declared MID areas, MDA-CID will award at least one project within each eligible MID, provided that the project meets all program requirements. Additional projects will be funded in ranking order as the program budget allows, no matter the location.

Project Application	MID Location	CDBG Funding Requested	Application Evaluation Score
Project 16	MID 6	\$ 2,000,000.00	290
Project 1	MID 1	\$ 1,500,000.00	260
Project 7	MID 3	\$ 1,000,000.00	245
Project 2	MID 1	\$ 1,000,000.00	230
Project 8	MID 3	\$ 2,000,000.00	230
Project 4	MID 2	\$ 500,000.00	220
Project 5	MID 2	\$ 500,000.00	200
Project 19	MID 7	\$ 1,300,000.00	195
Project 10	MID 4	\$ 1,200,000.00	190
Project 6	MID 2	\$ 3,000,000.00	185
Project 13	MID 5	\$ 1,000,000.00	170
Project 17	MID 6	\$ 400,000.00	165
Project 20	MID 7	\$ 1,300,000.00	150
Project 3	MID 1	\$ 1,500,000.00	150
Project 18	MID 6	\$ 5,000,000.00	140
Project 11	MID 4	\$ 2,250,000.00	140
Project 12	MID 4	\$ 500,000.00	130
Project 14	MID 5	\$ 900,000.00	125
Project 9	MID 3	\$ 1,400,000.00	120
Project 15	MID 5	\$ 1,500,000.00	115

Based on the example above:

- The projects in green represent the highest-scoring projects from each of the seven MIDs. Those would be the first projects selected.
- The projects in yellow represent the next projects to be selected based on their score and the availability of the program's remaining overall budget.

The remaining projects will not move forward unless any of the highlighted MIDs do not accept their award. In that scenario, MDA-CID will update the selections and ensure that each MID is still awarded its highest-scoring project, with remaining projects selected in order of ranking as the program budget allows.