

PROGRAM NAME: Alternative Housing Pilot Program (“AHPP”)

CFDA: 97.087

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GRANTEE: Mississippi

AGREEMENT NO.: EMW-2007-GR-0254

AMENDMENT NO.:

ARTICLE I – AUTHORIZATION:

- A. Homeland Security Act of 2002, H.R. 5005-8, P.L. 107-296
- B. P.L. 109-234, Emergency Supplemental Appropriations Act for Defense, The Global War on Terror, and Hurricane Recovery, 2006

ARTICLE II – PROJECT DESCRIPTION

The Grantee shall perform the work as described in the Program Narrative/Project Proposal, which is included as part of the application package dated October 17th, 2006, including revisions dated June 18, 2007, for the Mississippi Park Model and Mississippi Cottage Projects. Any variation from the approved scope of work that results in a major change requires prior FEMA approval. It is understood that the Grantee is not required to perform proposals relating to the 40 acre group site set forth in the initial program narrative/project proposal.

ARTICLE III – PERIOD OF PERFORMANCE/BUDGET PERIOD

- A. Performance Period: The Performance Period shall be a maximum of forty eight (48) months beginning with the accomplishment of the project activities and ending with the multi-year evaluation. The Period of Performance will begin on April 01, 2007 and end on March 31, 2011, and will correspond to the applicable approved Budget Period, unless extensions have been authorized.
- B. Costs: The Grantee shall only incur costs or obligate funds within the Budget Period for approved activities or within the approved Period of Performance if continuation award has been authorized. Any additional funding under this Grant is subject to the availability of funds and the needs of the Federal Government.
- C. Program Evaluation: The Grantee shall comply with the terms and conditions of the grant until the Department of Housing and Urban Development (HUD) and the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) have completed the Alternative Housing Pilot Program Study, projected to end March 31, 2011.

ARTICLE IV – AMOUNT OF AWARD

- A. Approved Budget: The total approved funding for this award is \$275,427,730.00. The total approved budget breakout is made apart of this award.
- B. There is no cost-share or match required for this funding. The Department of Homeland Security will pay up to 100% of the costs identified in the Approved budget listed under Article IV.A. The maximum funding amount is \$275,427,730.00. If costs exceed the maximum amount of DHS approved funding, the Grantee will pay the costs in excess of the approved budget.

ARTICLE V – REQUEST FOR PAYMENT

- A. The Grantee may be paid in advance, or reimbursed by completing the SF 270, Request for Advance/Reimbursement. In accordance with Treasury regulations at 31 CFR Part 205, the Grantee shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds.
- B. The Grantee may use the Internet at [www.omb.gov](http://www.omb.gov) to download the Standard Forms 1199A and 270.
- C. AHPP shall use a Two-Part Funding Method.
  - 1. The Grantee may receive up to 50% of the grant funding at the time of award. (hereinafter referred to as “Phase I”)
    - a. With these funds the Grantee conducts preconstruction planning activities including planning, site surveys, acquisition surveys, out reach activities, design, initial acquisitions, permits, environmental/historic clearances, and related contract administration for said activities. Funds may be used to cover these activities and related contract administration costs incurred from December 22, 2006, the date of notification of further consideration.
    - b. When appropriate, FEMA will identify those planning preconstruction activities that can be streamlined or exempted because of pre-clearance, special protocols, expedited procedures, or programmatic anticipation.
    - c. FEMA has categorically excluded the following actions from further NEPA review:
      - i. The placement of temporary housing on the residential lot of families that are repairing their permanent home as long as the installation of this housing:
        - 1. Does not directly or indirectly affect historic properties;
        - a. Does not require ground disturbance (i.e. excavation, trenching for utilities, removal of slabs, installation pilings or columns, placement of permanent foundation or new pads, etc.)

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- b. For the purposes of this requirement, this does not include incidental ground disturbance associated with the replacement of a FEMA temporary unit with an AHPP temporary unit
  - c. Ground disturbance shall be considered incidental if it is contained to no more than a 10% increase over ground disturbance caused by the original placement of the facility (e.g. FEMA travel trailer or mobile home) or debris removal activities.
  - d. The Grantee is responsible for assessing the impact of ground disturbance and determining if it will be more than 10% increase over ground disturbance caused by the original placement of a FEMA temporary housing unit.
2. Does not use fill material to elevate the unit.
- d. FEMA monitors progress and verifies prescribed conditions have been met.
  - e. FEMA monitors progress and verifies prescribed conditions have been met.
- D. After the Grantee has identified specific locations for housing units, and completed the preconstruction activities related to the specific locations, including legally mandated reviews, the remaining grant funds are available as needed. (Hereinafter referred to as "Phase II").
- E. In order to access funds under either phase described in Article V, the Grantee must comply with the Cash Management Improvement Act and demonstrate adherence to the timetables and activities found in its AHPP Performance Management Plan (see Article VII for details).

ARTICLE VI – PRE-AWARD COSTS

Pre-award costs are eligible in the amount not to exceed \$580,222.34 for necessary and allowable expenses incurred between December 22, 2006 and March 31, 2007. Appropriate documentation must be submitted to FEMA for review prior to payment.

ARTICLE VII – PERFORMANCE REPORTING

The Grantee shall submit quarterly performance reports which provide updates on the progress on agreed-upon goals. Reports must detail the Grantee's accomplishments and/or obstacles in achieving the objectives as established in the approved project proposal, Award Conditions, and subsequent revisions that are approved in writing.

Reports are due July 30, October 30, January 30, and April 30 each year, covering the prior three-month period, and completeness of the reports are subject to written approval by FEMA. Final performance reports are due 90 days after the close of the grant. The performance reports shall include information covering the following components/activities:

A. AHPP Performance Management Plan

1. General. The AHPP Performance Management Plan consists of a series of documents and submissions that are reviewed and approved by FEMA to govern the Grantee's AHPP project under this Grant Agreement.
2. Components of the AHPP Performance Management Plan. The Grantee's Performance Management Plan includes each of the following components, as approved by FEMA. Because some of these documents may be submitted to FEMA for approval throughout the implementation of the Grant Agreement, an approved Performance Management Plan shall be deemed to mean any or all of the following documents that have been submitted to FEMA on a timely basis, and that are approved by FEMA:
  - a. Performance Management Plan that guides implementation of the project
  - b. Disposition Plan for Units
  - c. The Grantee's AHPP application, submitted in response to the AHPP Grant Guidance and Application Kit.
  - d. Requests for funds for predevelopment costs
  - e. Supplemental submissions that FEMA requires the Grantee to submit are as follows:
    - i. Grantee's responses to questions sent in January 2007 by the FEMA Office of Grants Management (the "Negotiation Email")
    - ii. Certifications and assurances provided by the Grantee in writing.
    - iii. Program Schedule, in accordance with the timeframes established in the Articles of Agreement, and which uses common scheduling software.
    - iv. AHPP Budget (for all phases of the project)
    - v. Cash drawdown plan for each phase of the project based on immediate needs.
    - vi. Any other information or documentation that is not otherwise required under any other component of the Performance Management Plan that is requested by FEMA to supplement or refine information provided in the AHPP Application or to meet any terms or conditions of the Grant Agreement.
3. Amendments to the Performance Management Plan. Any submissions provided to FEMA as part of the Performance Management Plan under paragraph (2) of this Article, and that are approved in writing by FEMA, will be deemed to amend the Performance Management Plan.

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4. Incorporation into Grant Agreement. As each component of the Performance Management Plan is approved in writing by FEMA it will be deemed to be incorporated into this Grant Agreement.
  
5. Time Periods for Implementation. The Grantee agrees to implement its Performance Management Plan with the approved Program Schedule, including but not limited to the following time periods:
  - a. Grantee must submit its Supplemental Submissions, as required by paragraph (2) of this, to FEMA within 30 days from the date of FEMA's written request for the Supplemental Submissions, in a form and substance acceptable to FEMA.
  - b. The Grantee must complete initial Phase 1 activities within 6 months of receiving the AHPP grant award, however, Phase I activities may extend beyond the six months if units are redeployed.
  - c. If the Grantee does not proceed with grant work activities within 30 days of the award, FEMA may withdraw any unobligated grant amounts.

ARTICLE VIII – FINANCIAL REPORTING

A. Financial Status Report: The Grantee shall submit quarterly financial reports FEMA Form 20-10 (financial Status Report) to the Grants Management Branch, Office of Acquisition, Procurement & Grants. The reports are due July 30, October 30, January 30, and April 30 each year, covering the prior three-month period. Final Financial Status Reports are due 90 days after the close of the grant.

B. Report Submission: Submit the reports to the FEMA Headquarters office at:

DHS/FEMA  
Grants Management Branch  
Attn: Assistance Officer  
500 C Street, SW,  
5<sup>th</sup> Floor – Patriot Plaza Center  
Washington, D. C. 20472

ARTICLE IX – MAINTENANCE OF EFFORT

Funds approved under this Grant agreement shall be used to supplement and shall not be used to supplant State or local funds dedicated to this effort.

ARTICLE X – GRANT MANAGEMENT OFFICIALS

Officials for the Grant Agreement are as follows:

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The Project Manager (PM) for the Mississippi Alternative Housing Program designated by the Grantee is responsible for performance of the activities approved in the award:

The Project Manager is:

Name: Rebecca Baum  
Title: MAHP Project Manager  
Office: MEMA  
Address: 45 Hardy Court #230  
Gulf Port, MS 39507  
Telephone: 228-867-1711  
Fax: 228-867-1975  
eMail Address: [bbaum@mema.ms.gov](mailto:bbaum@mema.ms.gov)

The DHS Project Officer (PO) shall be the DHS staff member responsible for monitoring the completion of work and technical performance of the project or activities described in the application under the Project Description.

The DHS Project Officer is:

Name: Victoria Salinas  
Title: Program Manager  
Office: DHS/FEMA – Disaster Assistance Directorate  
Address: 500 C Street, SW, Room 401  
Washington, DC 20472  
Telephone: 202 – 646 - 4606  
Fax: 202-646- 3147  
eMail Address: [Victoria.salinas@dhs.gov](mailto:Victoria.salinas@dhs.gov)

The DHS Assistance Officer (AO) is the DHS official who has full authority to negotiate, administer and execute all business matters of the Grant award in concurrence with the Project Officer.

The Assistance Officer is:

Name: Sylvia A. Carroll  
Title: Assistance Officer  
Office: DHS/FEMA Grants Management Branch  
Address: 500 C Street, SW,  
Fifth Floor – Patriot Plaza Center  
Washington, DC 20472  
Telephone: 202-646-3503  
Fax: 202-646-3318  
eMail Address: [Sylvia.Carroll@dhs.gov](mailto:Sylvia.Carroll@dhs.gov)

ARTICLE XI – GRANT AWARD AMENDMENTS/BUDGETS

All budget and project narrative revisions shall be in compliance with Circular A-102, Grants and Cooperative Agreement to States and Local Governments, and 2 CFR, Part 225, (A-87), Cost Principles for State and Local Governments. This will also include 44 CFR Part 13 and 2 CFR Part 215 for the Administrative Regulations. In addition to these requirements, the Grantee shall submit and receive written prior approval before implementation for the following:

A. Budgets: The following conditions apply:

1. The Grantee shall follow prior approval requirements found in the Emergency Management and Assistance Regulations, 44 CFR Part 13.30, for construction grants. Transfers of funds between total direct cost categories and Program Categories in the approved budget shall receive the prior approval of DHS/FEMA Assistance Officer when such cumulative transfers among those direct cost categories and Program Categories are expected to exceed ten percent of the current total approved budget or result in a major change of scope. All changes, whether requiring prior approval or not, shall be noted in the Performance Reports and Closeout Documents.
2. No transfer of funds to agencies other than those identified in the approved grant agreement application shall be made without prior approval of the DHS/FEMA Assistance Officer.
3. If a Grantee estimates that it will have unobligated funds remaining after the end of the performance period, the Grantee should report this to FEMA Headquarters at the earliest possible time and ask for disposition instructions. Eligible uses of remaining funds will include demobilization of units (where appropriate), and supporting the HUD evaluation project.
4. Need for additional funds. DHS is not obligated to provide additional funds prior to the submission and approval of consecutive continuation options based on satisfactory performance and availability of funds.

B. Budget Revisions Process: Requests are not automatic. They must be submitted to the Assistance Officer and will also be reviewed by the Program Office. The final approval/denial will be in writing by the Grants Management Specialist or Assistance Officer. Budget Change requests can be submitted by priority mail, fax or email. The request must contain the following information:

1. An explanation as to what the budget change entails.
2. If the budget change involves excess funding in one category due to over-estimating the costs, then please state this in your request and also address the need for moving the funding to another category. The 10% Budget Change Rules does apply to this type of a budget change.
3. If the request is due to a scope of work change that is within the main scope of work, please state this in your request along with addressing your changes and state why the changes are necessary. If you are requesting a change to a part of your scope of work please state why.

4. Please also submit a revised FEMA Form 20-20, budget form, by priority mail.
- C. Extension Requests: Requests for additional time extensions to the Period of Performance will be considered, but will not be granted automatically and must be supported by adequate justification in order to be processed. They must be submitted to the Grants Management Specialist, and will also be reviewed by the Project Officer. The final approval/denial will be in writing by the Grants Management Specialist or Assistance Officer. Approval of 2<sup>nd</sup> extensions requires concurrence by the Program Director, and the Grants Management Branch Chief. When submitting an Extension Request all Financial and Performance Status Reports must be current, and the extension justification must be submitted or extension requests will not be processed. Extension requests can be submitted by priority mail, fax, or email and they must contain the following information:
1. Status of the ongoing activity.
  2. An explanation as to why the activity could not be completed as required, actions taken to resolve any problems, and a description of performance measures that are necessary to complete the project.
  3. An outline of remaining funds available that are necessary to complete the activity.
  4. An estimated completion date for the activity.
  5. Extensions to the Period of Performance shall be authorized only in writing by DHS Assistance Officer.
  6. There is no DHS obligation to provide additional funding as a result of time approved.

## ARTICLE XII – PROJECT ADMINISTRATION

As a contingency of the AHPP award, the Grantee must outline an acceptable plan to administer the program. The Grantee shall adhere to this Performance Management Plan, referred to as the Performance Management Plan, and deviations from it that are not approved by the FEMA Assistance Officer and DHS Project Officer may result in revocation of funds, cancellation of the grant, or stopping grant payments until performance management issues are resolved to the adequate satisfaction of FEMA. See Article VII, 2 for additional details.

- A. Housing Eligibility Requirements –The Grantee may only house people in the following priority order (i.e., no individual/household in a lower priority category may receive an AHPP housing unit until ALL individuals/households in a higher priority category are met):
  1. Disaster victims who are currently eligible for FEMA financial or direct housing assistance.

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2. Disaster victims who are pre-disaster residents of that State, and currently receive Federal disaster housing assistance through other federal programs.
  3. Any other person in the state with on-going housing needs.
- B. Conditions of Occupancy - The resident should clearly understand and agree to the nature of the occupancy, ownership arrangements, and any other legal issues pertaining to the unit.
1. The Grantee shall advise all potential residents of AHPP units that:
    - a. Occupancy of these units will result in FEMA considering the resident(s) permanently housed, and ineligible for further disaster housing assistance from FEMA due to Hurricanes Katrina. Further, the Grantee shall ensure that all residents of AHPP units affirm that their housing needs are being met through AHPP, and they will no longer seek FEMA direct or financial housing assistance due to Hurricanes Katrina.
    - b. HUD's evaluation contractor may ask them to respond to up to four surveys over four years (even if they do not receive a unit).
    - c. Occupants of an AHPP Unit will be required to make their unit available for "unit quality and durability inspections."
  2. As part of its selection process, the Grantee shall encourage all heads of household applying to receive an AHPP unit complete HUD's "Baseline Evaluation Survey" and sign a consent form indicating their agreement to participate in the HUD and FEMA multi-year evaluation if they receive a unit.
    - a. The Grantee will not assume the responsibility for actual participation for occupants of FEMA funded housing that are not selected for a unit.
- C. Selection of Residents for AHPP Units –
1. The Grantee is responsible for prioritizing who will be receiving AHPP housing, within the FEMA Prioritization Guidelines of Paragraph A of this Article.
  2. The Grantee must develop an equitable housing strategy, which provides housing to a diverse population including but not limited to, renters, homeowners, and people with disabilities.
  3. The Grantee shall allow HUD to monitor and collect data on the screening, identification, selection, and placement of individuals and households into AHPP units.
  4. The Grantee must receive HUD approval that its resident selection methods are consistent with HUD's evaluation requirements.

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- D. Timing Requirements - FEMA reserves the right to withdraw the grant award if the work activities cannot be implemented within 30 days of the award. See Article VII, Paragraph 5 for additional details for Timing Requirements of this grant.
1. The Grantee must submit its Supplemental Submissions, as required by paragraph (2) of this Article, to FEMA within 30 days from the date of FEMA's written request for the Supplemental Submissions, in a form and substance acceptable to FEMA.
  2. The Grantee must begin Phase I activities within two months of grant award.
  3. The Grantee must complete initial Phase 1 activities within 6 months of receiving the AHPP Award, however, Phase I activities may extend beyond the six month period if units are redeployed.
  4. FEMA places no restriction on the length of time a person can live in a permanent AHPP unit.
  5. Households may not reside in a temporary AHPP unit in the High Hazard Coastal Areas for longer than 18 months.
  6. The Grantee using its sole discretion determines the occupants have made reasonable efforts to rebuild their home or find other permanent housing, and been unsuccessful; and if the Grantee determines reasonable efforts have been made by occupants, the household may reside in the temporary unit for a maximum total of twenty-four months.
  7. The Grantee may place restrictions on the length of time a household may reside in a unit as part of the approved Performance Management Plan and notify residents per Memorandum of Agreement.
- E. Ownership of the Units – The Grantee is the initial owner of the units. The Grantee has the right to transfer ownership of the units to local governments, individuals, non-profit organizations, or other entities in accordance with State law. If the Grantee chooses to transfer ownership of the units to another entity or an individual, the new owner is subject to the same rules, regulations, stipulations, and articles of agreement until the AHPP multi-year evaluation is completed. These requirements will be in an occupancy agreement, deed restrictions, or contract terms. The Grantee has the authority to donate, sell, lease, rent, or otherwise have people occupying AHPP housing units. Refer to Allowable Uses of Revenue Generated from AHPP (Paragraph I) for rules governing monies generated by lease, rent or sale of units.
- F. Ownership of Unit and Land Tenure – If the Grantee transfers ownership of the unit to an individual, it should protect the title through any of a variety of strategies including, but not limited to title insurance, so the resident (new owner) is protected as well as a former owner that surfaces at some point in the future. Further, the Grantee shall ensure either that the individual to whom the unit is transferred:
1. Has clear (or protected) title to the unit and to the land in “fee simple”; or,

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2. Has a long-term leasehold on the land for no less than 20 years that is recorded in the appropriate registry of deeds; or
  3. Is receiving a unit to be placed on leased land in a manufactured home leasehold community and/or park that is appropriately registered and licensed by the State or other unit of local government that typically licenses and regulates such communities in the state. In any event, the owner of the unit can move the unit off the leased pursuant to the terms and conditions of the leasing agreement.
- G. Disposition of Units – The Grantee must adhere to the disposition plan outlined in its FEMA approved Performance Management Plan. Unless a housing unit is no longer functional, the disposition of the unit should result in a disaster victim occupying the unit, be it through direct ownership of the AHPP unit by a disaster victim, through an entity (i.e. non-profit, housing authority, etc.), or other reasonable means. If the Grantee seeks to dispose of a unit within the first 24 months it being ready for occupancy by a disaster victim, and provide it to someone without on-going housing needs due to Hurricanes Katrina, then the Grantee must ensure that disaster victims no longer have a demand for AHPP units; and FEMA must certify that this action is permissible.
- H. Allowable Uses of AHPP Funds - AHPP funds may not be used to pay for amenities such as telephone and cable television costs. Grant funds may be used to pay for the cost of water, sewer, solid waste, electricity or general real estate taxes during the Period of Performance, provided those costs were included in the official project budget. The Grantee agrees that if cost estimates are low, the Grantee will receive no new money to cover these costs and should therefore plan accordingly. It is the responsibility of the Grantee to implement and maintain effective mechanisms for paying these types of costs.
- I. Allowable Uses of Revenue Generated from AHPP - The Grantee shall use 100% of revenue generated from this program for affordable home ownership programs for low and moderate-income people with on-going housing needs due to Hurricane Katrina. At the conclusion of the AHPP, any fund balance will remain in Fund 37 AH ( a dedicated, segregated account with the State of Mississippi Treasury) and used for disaster assistance housing as defined and determined by the Mississippi Emergency Management Agency. The Grantee should describe how those funds will be administered in the Performance Management Plan. The Grantee may transfer the monies to a community organization such as the Housing and Community Development Department of a city, county or state as allowed by state law.
- J. Operations and Maintenance – During the Period of Performance, the Grantee shall ensure that once units are ready for occupancy, they are occupied, operated effectively, and maintained in good working order. The Grantee understands that this may require finding new residents for AHPP units, if the initial resident no longer wants to live in the unit, or no longer has a need for the unit. If the Grantee does any outright sale of these units, then the Grantee is released from this provision.
- K. Americans with Disabilities - Grantee shall build units and accommodate people with disabilities. Units for people with disabilities must be built to the highest federal standard for this type of construction.

L. Group Sites – The Grantee shall ensure that multi-family sites built under AHPP, (e.g. group sites) are superior to FEMA traditional group sites in terms of layout and other factors that improve the quality of life for AHPP residents.

M. Insurance:

1. General Provisions. The Grantee understands and agrees to the following:

- a. The Grantee will recommend that residents of AHPP units obtain and maintain personal property insurance.
- b. The Grantee will indemnify the United States of America from any losses and liabilities of any kind, whatsoever in accordance with the signed FEMA state agreement.
- c. The Grantee, Sub-Grantee, Contractors(s) and Sub-Contractor(s) will obtain any and all insurance customarily obtained in that industry.

2. Hazard/Flood Insurance.

a. FEMA is requiring insurance as a condition of the grant. To meet this insurance requirement, the Grantee will purchase insurance as follows:

i. Temporary Units. Grantee will obtain \$200,000,000 in insurance for all units installed for temporary use against all hazards, including wind and flood, with a ten percent per unit deductible with a maximum occurrence deductible of \$1 million. The Grantee will reserve \$4,000,000 to cover deductible costs. Insurance costs, including deductible costs, as provided for in the approved budget shall be allowable costs under the grant. The estimated two year total cost of insurance is \$22,000,000.

ii. Permanent units. All units installed for permanent use will be transferred pursuant to Article XII, Paragraph E. As a condition of transfer, Grantee will require new owners to obtain customary hazard/flood insurance.

N. Environmental and Historic Preservation Compliance. Grantee must comply with all applicable Federal, State, and local environmental and historic preservation requirements; before initiating Phase 2 at any given site. Before authorizing phase two of project implementation FEMA must certify that a Grantee is fully-compliant with applicable laws including: National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA) and Executive Orders on Floodplains (11988), Wetland (11990) and Environmental Justice (12898). Failure to meet Federal, State, and local environmental and historic preservation requirements and obtain applicable permits may jeopardize Federal funding. FEMA will identify those Phase I compliance activities that can be streamlined or exempted because of pre-clearance, special protocols, expedited procedures or programmatic anticipation. Grantee must comply with all applicable Federal, State, and local environmental and historic preservation requirements; before initiating Phase 2 at any given site. Before authorizing phase two of project implementation FEMA must certify that a Grantee is fully-compliant with applicable laws including: National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA) and Executive Orders on Floodplains (11988), Wetland (11990) and Environmental Justice (12898). Failure to meet Federal, State, and local environmental and historic preservation requirements and obtain applicable permits may jeopardize Federal funding. FEMA will identify those phase I compliance activities that can be streamlined or exempted because of pre-clearance, special protocols, expedited procedures or programmatic anticipation.

1. In the Mississippi pilots projects will have Phase 1 and Phase 2 activities running concurrently. Consequently, Mississippi is allowed to proceed with Phase 2 activities so long as all the above requirements have been met for specific sites, whether individual or group.
2. The Grantee is strongly encouraged to work with the FEMA Transition Recovery Office (TRO) Environmental Liaison Officer to integrate NEPA, (44 CFR Part 10), NHPA (Section 106)), Floodplains Management (44 CFR Part 9), and other Federal environmental requirements into project planning, site selection, site preparation, and site development process to ensure effective and expeditious compliance with these requirements.
3. If any potential archeological resources are discovered during ground disturbing activities, the Grantee will immediately cease the activity in the project area and notify FEMA.

O. Floodplain Management Requirements-

1. For permanent structures, the Grantee must comply with the minimum floodplain management requirements established in community floodplain management codes or ordinances.
2. Alternative Housing Pilot projects may be swapped out on private sites on a one-to-one basis in the Coastal High Hazard Areas. Recognizing the inherit risk of the Coastal High Hazard Areas, no new units may be set in the Coastal High Hazard Areas, other than where its replacing an existing FEMA temporary housing unit. Further, the following requirements will be met:

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- a. Grantee defines what is meant by a temporary structure, the maximum length of time that a temporary unit will be placed, and how units will be removed. This should be described in the Performance Management Plan.
    - i. Temporary units shall not be in the Coastal High Hazard Area any longer than 18 months, unless:
      - 1. the Grantee using its sole discretion determines the occupants have made reasonable efforts to rebuild their home or find other permanent housing, and been unsuccessful
      - 2. The period of occupancy may not exceed a maximum total of 24 months.
  - b. Occupants of temporary units sign an agreement stating that they will evacuate in the event of *either* voluntary and mandatory evacuation notices.
  - c. State and or local government will ensure that occupants have evacuated when *either* voluntary and mandatory evacuation notices are issued.
  - d. A sale of a temporary unit must be designated as a sale of a temporary unit, and be used in accordance with applicable laws and regulations.
  - e. Grantee will communicate to the occupants of any unit placed in the High Hazard Coastal Area the inherit risk of living in this area.
  - f. These units may not subsequently be replaced in the High Hazard Coastal Area for any purpose, once they have fulfilled their original temporary housing mission.
- P. Building Codes – The Grantee shall follow locally adopted building codes as applicable. Regardless of the code applied, the designs used shall provide appropriate levels of protection for the structures and residents of the units. Since these units may be used regionally, the Grantee must describe how the building code used in the design will satisfy building and safety requirements of the region. The Performance Management Plan shall describe the processes they will employ to ensure regional standards are met.
- Q. Warranty - Appliances and other equipment will be warranted through a basic warranty.

ARTICLE XIII – OTHER TERMS AND CONDITIONS

The other terms and conditions of the agreement are as follows:

- A. Buy America. The Grantee, Sub-Grantees and contractors receiving funds from grant shall comply with the Buy American Act (41 U.S.C. 10a et seq.) unless it is determined that it is inconsistent with the public interest, impracticable to comply with such a requirement or that it would unreasonably increase the cost of articles, materials, or supplies. The exception shall be noted in the specifications and documentation to justify the exception will be retained in the grant file for record.

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- B. Copyright. The Grantee is free to copyright original work developed in the course of or under this agreement. DHS and the Federal Emergency Management Agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, replicate, mass produce, publish, or otherwise use, and to authorize others to use, any aspect of the work performed, inclusive of all products, technologies, and housing units built, under this award for Government purposes. Publication resulting from work performed under this agreement shall include an acknowledgement of financial support from DHS and include a statement that the publication does not necessarily reflect the DHS views.
- C. Refunds. The Grantee shall transfer to DHS the appropriate share, based on the support percentage, of any refund, rebate, credit or other amounts arising from performance of this agreement, along with accrued interest. The Grantee shall take necessary action to effect prompt collection of all monies due or which become due and to cooperate with DHS in any claim or suit in connection amounts due.
- D. Overpayment and Earned Interest. Within ninety (90) days of the expiration date of the Performance Period, overpayment of funds shall be remitted to the Assistance Officer by check payable to DHS. An overpayment represents the difference between allowable actual expenditures and total DHS payment received by the Grantee.
- E. Program Income. Program income is income earned as a result of Grantee or sub-grantee grant-supported activity, or earned as a result of the grant agreement during the Period of Performance. Program income shall be added to the award of under this grant and shall be used to expand the approved program activities. The Grantee shall submit a written list of expanded activities to be accomplished as a result of the Program Income funds. This list shall be submitted to the DHS AO for review and the approval within 20 days of receipt of program income, refer to Article XII, I.
- F. Security. The Grantee shall not be granted access to classified information under this Grant. If security restriction should happen to apply to certain aspects of the proposed activity, the Grantee will be informed. In the event that the scientific work under this Grant may either need classification or involve access to or storage of any classified data, the Government shall make a decision on the need to classify, or require such access or storage within 30 days after receipt of a written notice from the Grantee. If the decision is affirmative, the Government may invoke the Termination clause, as appropriate.
- G. Site Visits. DHS and the Department of Housing and Urban Development, through authorized representatives, have the right, at all reasonable times and with proper notice, to make site visits to review project accomplishments and management control systems to provide such technical assistance as may be required per Article XII, Paragraph b. If any site visit is made by DHS/HUD on the premises of the Grantee or a contractor under an award, the Grantee shall provide and shall require its contractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly delay the work.
- H. Clearances: Prior to the start of any construction activity, the Grantee shall ensure that all applicable Federal, State, and local zoning and building permits and clearances are obtained and authorization has been given by FEMA to begin Phase 2 of project implementation.

- I. Indirect costs (if applicable): Indirect costs are those costs which are not readily identifiable with a particular activity/objective. For example, telephone service, office supplies, postage, building rent. In contrast, direct costs are those which are readily identifiable with a particular objective. For example, personnel, fringe benefits, travel, equipment, contractual.
1. Indirect costs are not applicable under this grant. All costs for MAHP will be direct costs.
- J. Procurement - AHPP must comply with these requirements:
1. In accordance with 44 CFR 13.36(a) and 2 CFR Part 215, when procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. If the Sub-Grantee is neither a state, nor local government it will comply with 2 CFR Part 215, 44 CFR 13.36(b)-(i).
- K. Intergovernmental Review. To the extent required by state law, the Grantee should comply with the state procedures consistent with EO 12372.
- L. Indemnity.
1. The Grantee, its contractors, and/or subcontractor hereby releases and shall indemnify, defend and hold harmless FEMA, the Government and their subsidiaries and affiliates and the officers, agents, employees, successors and assigns and authorized representatives of all the foregoing from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs, expenses, and losses of whatsoever kind or nature (collectively "Losses") in connection with or incidental to the performance of this grant and any contracts or subcontracts formed due to this grant, whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned, or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of Grantee, Contractors, or Subcontractor, its lower-tier suppliers, subcontractors or of anyone acting under its direction or control or on its behalf.
  2. To the extent such Losses result from the negligence, act or omission of the indemnified party, Grantee's liability for such Losses shall apply to the extent such Losses are caused by, or arise out of the acts, omissions, fault or negligence of Grantee or its lower-tier suppliers, contractors, subcontractors or of anyone acting under its direction or control or on its behalf. The foregoing shall include, but is not limited to, indemnity for: Property damage and injury to or death of any person, including employees of FEMA, Government or Sub-Contractor; and, the breach by Grantee of any representation, warranty, covenant, or performance obligation of this Grant.

- M. Public Announcements – All announcements should be coordinated with the FEMA Public Affairs Office located at the Transitional Recovery Office in Biloxi, MS. The Transitional Recovery Office should coordinate with FEMA Headquarters Public Affairs Office as needed.

ARTICLE XIV - Evaluation of the Alternative Housing Pilot Program

Reporting Requirements for the Evaluation –

- A. In addition to baseline survey data and evaluation consent forms for applicants, and approval of program participant selection criteria, the Grantee agrees to the assist HUD and its evaluation contractors as follows:
1. To allow researchers to regularly attend meetings and interview key participants in the design and implementation of the AHPP program in order to tell the story of implementation.
  2. To allow researchers access to units (per Article XI, Paragraph B) and program applicants, including all administrative data collected by the Grantee for AHPP program on those units and program applicants, for evaluation purposes. The data provided to HUD and its contractor(s) as well as other data directly collected by HUD and its contractor(s) will be protected by the 1974 Privacy Act and will be maintained in a secure manner. HUD will only present aggregated information on program applicants. All personal information will be carefully protected.
- B. Grantee agrees to coordinate their criteria for the selection of residents for AHPP units with HUD to ensure the criteria used support the subsequent data collection and analysis.
- C. The Grantee will be expected to collect and provide access to information regarding the construction process for the AHPP units. This may include information on costs, schedule, technical requirements for construction, transport, and the like.
1. The Grantee fully understands and accepts that the HUD evaluation will require access to all construction locations used to produce units under the AHPP. Grantee will ensure their contractors and partners are aware of and comply with this requirement.
  2. The Grantee fully understands and accepts that as part of the HUD evaluation, pricing information will be required.
    - a) It will be assumed that all cost, pricing and labor information will be available.
    - b) If the grantee asserts some restrictions to the data (ie. proprietary information), they should be prepared to describe how the evaluation could be supported through the use of data analogs or other collection approaches.

3. The Grantee fully understands and accepts that as part of the HUD evaluation of the AHPP, interviews may be required of some individuals in the construction process. These interviews will be scheduled and are not intended to interrupt ongoing activities. Grantee will ensure all requests for such interviews will be supported.
  4. During the course of the construction or evaluation of the AHPP units, the Grantee fully understand, accept, and anticipate, that there will occasionally be unforecast requirements for HUD or its contractors for information collection.
- D. The Grantee shall comply with Article XII, Paragraph B, and ensure that all people that apply for AHPP units agree to provide information requested by HUD as part of this evaluation. Further, any person that lives or stays in an AHPP unit – for any duration of time – agrees to provide information requested by HUD for this evaluation. Any person that is involved with any aspect of project implementation, including, but not limited to government employees, contractors, and Sub-Contractors agrees to provide information requested by HUD.
- E. All terms and conditions of the grant will apply until HUD has completed the evaluation.

#### ARTICLE XV – AUDIT REQUIREMENTS

Grantee and Sub-Grantees must follow the audit requirements under OMB Circular A-133. Non-Federal entities that expend \$500,000 or more in Federal funds in the Grantee’s fiscal year shall have a single or program-specific audit conducted for that year in accordance with the provisions of A-133. In accordance with the OMB Circular A-133, Subpart C, Section 320, Grantees and Sub-grantees must submit their audit information to the Single Audit Clearinghouse.

#### ARTICLE XVI – GOVERNING PROVISIONS

The Grantee and any sub grantee shall comply with all applicable laws and regulations. A non-exclusive list of regulations commonly applicable to DHS grants are listed below:

- A. Administrative Requirements
  1. OMB Circular A-102, State and Local Governments (44 CFR Part 13)
  2. OMB Circular A-110, Institutions of Higher Education, Hospitals, and Other Non Profit Organizations (2 CFR Part 215)
- B. Cost Principles
  1. 2 CFR, Part 225, (OMB Circular A-87), State and Local Governments
  2. 2 CFR, Part 205, (OMB Circular A-21), Educational Institutions
  3. 2 CFR, Part 230, (OMB Circular A-122), Non Profit Organizations
  4. Far 31 (2) For Profit
- C. Audit Requirements.  
OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

ARTICLE XVII – ORDER OF PRECEDENCE

In the event of an inconsistency in this Agreement unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- A. Federal Laws, including statutes covering Federal Appropriations.
- B. Federal Regulations and OMB Circulars
- C. Schedule of Articles I through XVII of this Agreement

Grant award is approved by DHS on April 11, 2007 , including revisions dated through June 21, 2007 and the final approved budget documents.