

I. Introduction

A. Purpose of Grant Administration Manual

The purpose of this Grants Administration Manual (GAM) is to provide HCD staff with a reference guide to all policies, procedures and requirements that pertain to the programs and activities funded by the State of California's National Disaster Resilience (NDR) award. This document provides guidance for HCD staff on implementation and compliance for the Department of Housing and Urban Development (HUD) and state regulations as they are relevant to HCD's NDR activities. Staff will use this manual in conjunction with other HCD grant administration procedures and HUD resources.

The content of the GAM describes the three pillars of the NDR program and their objectives, HCD's role within each pillar, how programs will be managed, and HCD's administrative policies and requirements. Staff may use this as a reference to understand contractual relationships between HCD, partners and subgrantees as they pertain to the NDR grant. It also provides guidance on regulatory requirements, such as procurement, environmental reviews, labor standards, acquisition, and monitoring to comply with HUD regulations and the Federal Register Notices that pertain to NDR. Any substantial amendments, or other changes to programs, activities or systems that affect grant administration will be documented within this manual. A log of recent updates will be maintained at the beginning of the document to track changes between versions.

B. CDBG NDR Background

On September 17, 2014, the Department of Housing and Urban Development (HUD) posted the National Disaster Resilience Competition (NDRC) Notice of Funding Availability, which outlined an innovative, two phased approach to the awarding of nearly \$1 billion in Community Development Block Grant (CDBG) NDR funding to eligible jurisdictions impacted by qualifying disasters. The goals of the NDRC are:

- To fairly allocate remaining Public Law 113-2 CDBG Disaster Recovery (DR) funds.
- To apply science based and forward-looking risk analysis to address recovery, resilience, and revitalization needs.
- To leave a legacy of thoughtful, innovative, and resilient approaches to addressing future risks.
- To help communities plan and implement projects that make them more resilient to future threats while improving quality of life and making communities more resilient to economic stresses or other shocks.
- To fully engage stakeholders about the impacts of climate change and to develop pathways to resilience.
- To leverage investments from the philanthropic community to help communities define problems, set goals, explore options, and craft solutions.

During Phase I, eligible jurisdictions were asked to frame their unmet recovery needs, vulnerabilities and community development objectives, and on June 22, 2015, the

highest scoring applicants were announced as Phase I winners. Selected jurisdictions were then invited to participate in Phase II, where they were asked to fully articulate the resilience enhancing disaster recovery and revitalization projects or programs intended to address community development objectives as well as mitigate or address identified risks and vulnerabilities.

The two-phased approach included technical assistance from the Rockefeller Foundation, with the establishment of five regional Resilience Academies and a Federal Resilience Workshop during Phase I and two regional Resilience Academies and a Resilience Funder's Summit in Phase II. Eligible jurisdictions were required to submit their Phase II applications by October 27, 2015, and, after scoring by HUD, the winners of the competition, which included the State of California, were announced on January 21, 2016.

C. Summary of CDBG NDR Awarded Projects

HUD allocated \$70,359,459 in CDBG NDR funds to the State of California's Department of Housing and Community Development (HCD) to implement the Community and Watershed Resilience Program (CWRP) within Tuolumne County, which includes the Rim Fire burn and evacuation areas.

The Rim Fire started in August 2013 in the Stanislaus National Forest and burned a total of 257,314 acres, making it the largest wildfire on record at the time in the Sierra Nevada mountain range. After a nine-week firefighting battle, the fire was fully contained in October 2013. However, log piles continued to smolder due to a lack of winter rains for more than a year before the fire was declared officially out. Beyond the Rim Fire's obvious impacts to forest health and private property, it also threatened the Hetch Hetchy Reservoir, which provides 85 percent of the city of San Francisco's water supply.

The CWRP consists of a suite of resilience building initiatives in three integrated pillars. They include the Forest and Watershed Health Program, which implements forest and watershed investments and identify opportunities for investments in other watersheds, as well as the development of a Biomass Utilization Facility and a Community Resilience Center, which supports economic development and increase disaster resilience in the area. HCD has developed a Core Team (see Figure 1 under Section IV) comprised of state and local agencies, partners and technical advisors to oversee and coordinate program activities throughout the stages of program design and implementation.

D. Forest and Watershed Health Program

HUD awarded \$28.6 million to the State of California's Forest and Watershed Health Program (FWHP). The program implements green public infrastructure in the Rim Fire burn area through forest and watershed investments, which includes thinning, reforestation, biomass removal, forest restoration treatments, and implementation of sustainable forest management practices. This component supports healthy, resilient forests, protects the Sierra Nevada watershed area responsible for 60 percent of the state's water supply, and develops economic opportunities to diversify and strengthen local economies. The FWHP encompasses five distinct activities to ensure outcomes are met:

- Forest restoration and reforestation through the planting of resilient and diverse forests.
- Develop and reconstruct five strategically placed fuel breaks to provide forest and community protection by reducing the size and intensity of wildfires.
- Reconstruct rangeland infrastructure destroyed by the Rim Fire, including reconstruction of destroyed fencing and troughs.
- Mitigate sedimentation and soil erosion and initiate the treatment of noxious weeds to ensure the health of reforested and restored areas.
- Recruit local workers through a partnership with the California Conservation Corps (CCC).

E. Biomass Utilization Facility

HUD awarded \$22 million to the State of California for the planning, development and implementation of one or more Biomass Utilization Facilities (BUF), which act as a multipurpose wood products and energy facility, creating a market for biomass removed from the Rim Fire burn area. This component also encourages job creation and diversifies economic development, while promoting forest health, and local energy security. The BUF employs a two-phased development process consisting of:

- Phase I – Community outreach, planning and feasibility studies, develop method of distribution.
- Phase II – Release funding, accept funding proposals, award and project implementation.

F. Community Resilience Center

HUD awarded \$19.7 million to the State of California to plan and develop a Community Resilience Center (CRC), which provides the region with resources during an emergency in addition to serving community needs as a year-round facility. This component provides education and job training opportunities and proposes to coordinate training activities with the California Conservation Corps (CCC), local community colleges and other local agencies. The CRC employs a two-phased approach to development:

- Phase I – Engage the community, delineate service needs and finalize designs, using principles of Rebuild by Design to engage residents, community groups, business and elected officials.
- Phase II – Construction and operation of the facility.