

IV. Subgrantees and Partners (Recipients verses Contractors)

HCD is the HUD Grantee and is responsible for managing the HUD CDBG NDR grant and overseeing project implementation activities. HCD is required by HUD to utilize Partners from the Phase I and Phase II application to administer components of the three pillar project activities. If any partner in the application is not utilized, then that will trigger a substantial amendment to the Action plan,

There are two type of NDR partners for the CWRP. One type does not receive any NDR funds from HCD and functions under the Partnership Agreement executed in the Phase II application. Two partners, California Environmental Protection Agency (CalEPA) and Governor's Office of Planning and Research (OPR) provide key leadership roles on the Core Team but are not under an agreement for implementation funding.

For those partners who are under a funding agreement with HCD, HUD does allow flexibility with respect to the method of establishing the legal relationship, via procurement contracts or pass through agreement with partners. Specifically, partners qualify for special considerations relative to the noncompetitive (i.e. sole source) procurement guidelines outlined in 2 CFR part 200. HCD uses its NDR partners to ensure program compliance and effectiveness and outlines these expectations the terms of each partner's agreement.

Partners who will be under funding agreements with HCD include,

- Sierra Nevada Conservancy (SNC)
- California Department of Forestry and Fire Protection (CAL FIRE)
- Tuolumne County
- United States Forest Service (USFS)
- California Conservation Corps (CCC)

A. Subgrantee and Partner's Roles and Responsibilities

HCD serves as the responsible agency for implementation of its CDBG NDR funds. HCD is legally and financially accountable to HUD for the use of all funds and is the sole entity with access to HUD's Line of Credit Control System (LOCCS) through DRGR. HCD passes this legal and financial accountability through to partners in their agreements and monitors them to ensure they are accountable for funds used on their respective activities.

To implement the CDBG NDR funds, HCD has executed Standard Agreements with the Sierra Nevada Conservancy (SNC) and Tuolumne County. HCD entered into a three-party Standard Agreement with SNC and the California Department of Forestry and Fire Protection (CAL FIRE). Finally, HCD has entered into a three-party cooperative endeavor agreement (CEA) with SNC and the United States Forest Service (USFS) to assist with implementing the Forest and Watershed Health Program. As a federal entity, the USFS is not considered a subgrantee and is referred to separately for the purposes of administering the NDR grant. HCD developed a CEA to cover the unique relationship where HUD (a federal agency) grants funds to HCD (a state), who in turn provides funds to USFS (another federal agency). The

CEA fulfills the same role as the Standard Agreement, covers the FWHP work, and was executed by HCD, SNC and USFS. There are also number of Partners in the NDRC application which are not subgrantees but who do have formal Partnership Agreements which require their support in implementation of NDR activities. HUD expects HCD to utilize all partners who were included in the NDRC application.

HCD's Standard Agreement and CEA, combined called the "Agreement", serves two purposes. First, it sets out the roles and responsibilities of each party, scope of work with deliverables, performance milestones with timelines and penalties for non-performance, reporting requirements and both federal / state compliance standards. Second, it also serves as the legal authority for HCD to make reimbursement payments from California's current statewide fiscal accounting system (FI\$Cal).

HCD's subgrantees may work with developers, nonprofits, contractors, or any combination of these entities to implement CDBG NDR activities. However, different sets of HUD and OMB rules apply to these entities in certain situations (see Section VI – Procurement).

HCD's main role in administering its CDBG NDR grant is to ensure federal and state regulatory compliance and ensure timely expenditure of funds. This is achieved by working closely with subgrantees so that all parties have a clear understanding of the progress of each funded activity. This also allows HCD to provide technical assistance as the projects progress forward through completion. This oversight includes reviewing documentation submitted and providing written approvals or denials, telephone and email communications regarding program and/or project status, technical assistance, trainings, and monitoring of the subgrantees' work.

HCD's subgrantees are required to submit reports to document the progress of the awarded activities; the required reports and their frequency are defined in their Agreements. Inaccurate, incomplete, or missing reports impact HCD's ability to report the progress of the activities to HUD. Subgrantees also participate in monthly calls to discuss project activity status and any impediments they perceive.

For the CRC project administered by Tuolumne County, HCD is responsible for verifying that each proposed project meets the CDBG LMA national objective, meets eligibility activity and cost requirements, is in compliance with federal statutes and regulations, and that CDBG NDR funds are the best available resource for implementation of the project. For BUF and FWHP projects, which are coordinated by SNC, HCD is the lead agency responsible for ensuring regulatory compliance and monitoring.

B. NDR Subgrantees

1. Sierra Nevada Conservancy

HUD approved HCD's application to allocate funds to Sierra Nevada Conservancy (SNC), a California state agency, entered into a Standard Agreement (16-NDR-11311) with HCD on May 30, 2017, to provide general administration and project management support. SNC acts as project manager and coordinator of FWHP and BUF activities. SNC reports out to and seeks project guidance from the Core Team (Figure 1 below). SNC assists with general administration activities

including, file management, reporting, monitoring, grant close out, and assisting HCD with meeting federal compliance and reporting requirements. Project management takes place from feasibility studies through construction and operation.

2. Tuolumne County

Tuolumne County entered into a Standard Agreement (16-NDR-005) with HCD on May 9, 2017, to provide general administration, planning and project development to develop a minimum of one Community Resilience Center (CRC). The county's responsibilities include a feasibility study and siting for the CRC(s), design and construction of the facility, as well as grant close out. Tuolumne County manages all aspects of the CRC development and construction, coordinating with HCD and the Core Team to ensure the CRC meets the goals of the NDRC.

3. California Department of Forestry and Fire Protection

The California Department of Forestry and Fire Protection (CAL FIRE) entered into a three-party Standard Agreement (16-NDR-11511) with HCD and SNC to assist with program implementation for the Forest and Watershed Health pillar (FWHP) including National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) compliance, fuel break design and construction and oversight. SNC supervises CAL FIRE and its work.

C. United States Forest Service

HCD entered into a formal three-party CEA with USFS and SNC to manage the labor and conduct the five activities associated with FWHP: 1) biomass removal, reforestation, and restoration activities associated with the FWHP. HCD's oversight, technical assistance, and administrative roles and responsibilities, along with USFS' implementation roles and responsibilities, are outlined in the CEA. The USFS is not considered a subgrantee to HCD since it is a federal agency. It is also not required to follow 2 CFR part 200 but will comply with Federal Acquisition Regulation (FAR) under 48 CFR part 1. The unique relationship between HCD and USFS (another federal agency) will be addressed regularly throughout the life of the FWHP.

Figure 1.0 Core Team Organization Chart:

