



# Public Infrastructure and Stormwater Management (PISM) Program Overview



This program will address unmet recovery and mitigation needs associated with public infrastructure and stormwater management. The grant funds will allow recipients to design and construct infrastructure and public facilities that will directly benefit individuals and the larger community.



## AGENDA

1. Program Overview
2. Subrecipient Responsibilities
3. Application
4. Eligibility
5. Award
6. Application Process
7. Project Implementation
8. Resources

# PISM Program Facts

- **Total Budget:** \$18,000,000
- Program application process and requirements:



City, county, and tribal governments will apply to DLG as subrecipients showing how their project will:

- Address damage from the disaster or mitigate impact of damage from future disasters
- Serve LMI community
- Scope of work must ensure completion within performance period



Pathway 1 will allow applicants to submit their shovel ready project early – Applications due by September 1st



Pathway 2 will allow applicants to submit within in the 5 month application window- Applications due by December 1st



- Technical Review performed by DLG
- RFIs sent if needed
- DLG ranks all applications
- DLG drafts recommended project for award
- Recommendation send to Office of Government for final approval



- Office of Government approves final projects
- Award Notifications sent to awardees
- Awards negotiations and project review
  - DOB
  - Sources of funding
  - Grant terms and conditions
- Grant Execution

# Application- Proposed Timeline

Milestone	Date
Grant Announcement	June 1st, 2023
Application Available	July 1st, 2023
Pathway One: Application Deadline	September 1 <sup>st</sup> , 2023
Pathway One Anticipated award(s) Announced	30-60 days
Pathway Two: Application Deadline	December 1 <sup>st</sup> , 2023
Pathway Two Anticipated award(s) Announced	30-60 days
Contract(s) Executed Before	March 1 <sup>st</sup> , 2024

*Reference the Public Infrastructure and Stormwater Management Policy for complete information about the program requirements*



# Subrecipient Responsibilities



## Responsibilities of the subrecipient include but are not limited to the following:

- Application
- Budget
- Eligibility Review
- Duplication of Benefits Verification
- Public Notice
- Environmental Review
- Procurement
- Monitoring Construction
- Contractor Payment
- Construction Grievances
- Compliance
- Closeout



More detail on subrecipient responsibilities is provided throughout the policy manual.



# Application



# Application Threshold Requirements

Threshold Requirements that need to be met before application can move to technical review include:

1. Application is submitted on time
2. Application is signed and completed
3. Applying entity is an eligible city, township, county, or federally recognized tribal government
4. Applicant's project benefits HUD and/or State-identified MID areas
5. Applicant meets either the LMI or urgent need National Objective
6. Applicant submitted evidence of compliance with the Public Notice Requirement



# Score Criteria

REVIEW FACTORS	POINTS
LMI	Up to 10 points
Response to the Disaster	Up to 5 points
Project within a HUD MID	Up to 5 points
Meeting Mitigation Set-Aside Criteria	Up to 10 points
Operations and Maintenance	Up to 10 points
Ancillary Benefits	Up to 10 points
Cost-Effectiveness/Cost-Reasonableness	Up to 5 points
Climate Change and Other Future Conditions	Up to 10 points
Risk Reduction/Resilience Effectiveness	Up to 10 points
Incorporation of Nature-Based Solutions	Up to 5 points
Population Impacted	Up to 10 points
Community Engagement	Up to 10 points
Feasibility/Implementation Measures/ Subrecipient Capacity	Up to 20 points
Leveraging Partners	Up to 10 points
<b>Total Points Possible</b>	<b>Up to 130 points</b>

# Application Technical Review Requirements

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Project Description/Service Area

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Disadvantaged Communities

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Public Notice Requirement/ Community Outreach

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Budget

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Partnerships

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Cost Effectiveness

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Implementation and Timeline

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Operations/Maintenance

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# Project Description/Service Area

- Description of proposed project including objective of activity
- The description should explain whether and how the project mitigates the natural hazard risks identified in the State's Mitigation Needs Assessment listed in the CDBG-DR Action Plan
- Anticipated service area and populations benefiting from the improvements
- Explanation of whether and how the project response to disaster related impacts

Description should also summarize:

- Specific locale
- How the project responds to disaster-related impacts
- Feasibility
- How the project protects and benefits the public, especially vulnerable populations and protected classes
- Mitigation of natural hazard risks to critical structures, facilities, and systems
- Incorporation of nature-based solutions
- The applicant's ability to operate and maintain the project
- Promotion of ancillary benefits
- How the design accommodates climate change projections and future conditions
- How the project leverages federal, State, and local partnerships and funding sources
- Community engagement
- Cost-reasonableness of the project

# Disadvantaged Communities

This program prioritizes projects that benefit the most at-risk and vulnerable populations. To facilitate this, the scoring criteria provides preference to projects serving communities with high proportions of vulnerable populations as measured by Centers for Disease Control and Prevention's Social Vulnerability Index (SVI). Applications must address the extent to which the project benefits such populations and include documentation of an SVI of the area served.

# Public Notice Requirement

- Post detailed information regarding project on entity's website and at public locations with 15-day public comment period. Comments through various channels; mail, email, and by phone.
- Detail information should include:
  - Type of project to be undertaken and goals
  - Description of geography to be impacted, either directly or indirectly and how
  - Source of funds (i.e., CDBG-DR)
  - Amount of project funds being requested
  - Estimated amount of CDBG funds proposed for activity benefiting person of low and moderate income
  - Records on past use of CDBG funds
  - The date comments must be made
  - Contact person from whom to obtain a copy of proposed application
  - Accommodations for non-English speaking citizens (All information posted will need to be translated into Spanish, unless less than 5% or 1,000 people (whichever is less) of the applicant's area of benefit population speaks Spanish)

Proposed budgets will need to include:

- Detailed description of anticipated costs by category
  - Support service
  - Project Management
  - Administration
- Anticipated Sources of funding
  - PISM funds
  - Local funds
  - Any committed funds outside of PISM funding

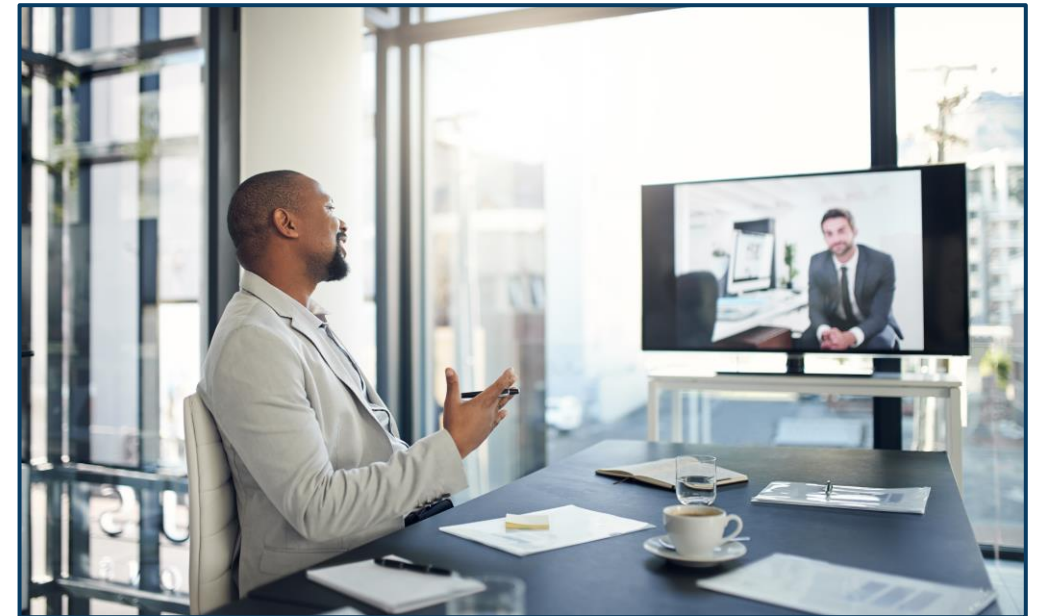
This program will provide preference to applications that leverage outside sources beyond PISM funds.

# Partnerships

Application may include proposed subrecipient partnerships to deliver PISM projects.

Leveraging partners allows applicant communities to access complementary strengths from neighboring communities, States, the Federal Government, and nonprofit and private partners.

If an applicant intends to utilize a partnership to complete a project, it must identify the partner(s) in the application.



# Cost Effectiveness

A high priority is put on funding projects that are cost-effective.


PISM project applications will be scored based, in part, on cost-effectiveness demonstrated through a benefit-cost analysis outlined in the application guidance.

All cost-effectiveness analyses will be reviewed by DLG or its designee.




# Implementation and Timeline

Applicants must provide evidence of management capacity and a plan to implement the project within budget and on time.



Proper implementation requires that an applicant understands what is expected of them, ensures that the human capital and financial resources needed to complete the project are in place, and develops a realistic timetable.



Each application must include information demonstrating their capacity and the projected timeline for completion by 2028.



Projects funded through the 2021 Severe Storms CDBG-DR appropriations are required to complete the project within 3 years of grant execution.

# Operation and Maintenance

- Applicants will be required to demonstrate how the **projects will be operated and maintained beyond the life of the CDBG-DR grant**, including incorporating technologies to prevent early failures of the project.
- This should include identification of a responsible entity for operating and maintaining the project and a description of dedicated funding sources.



# Eligibility



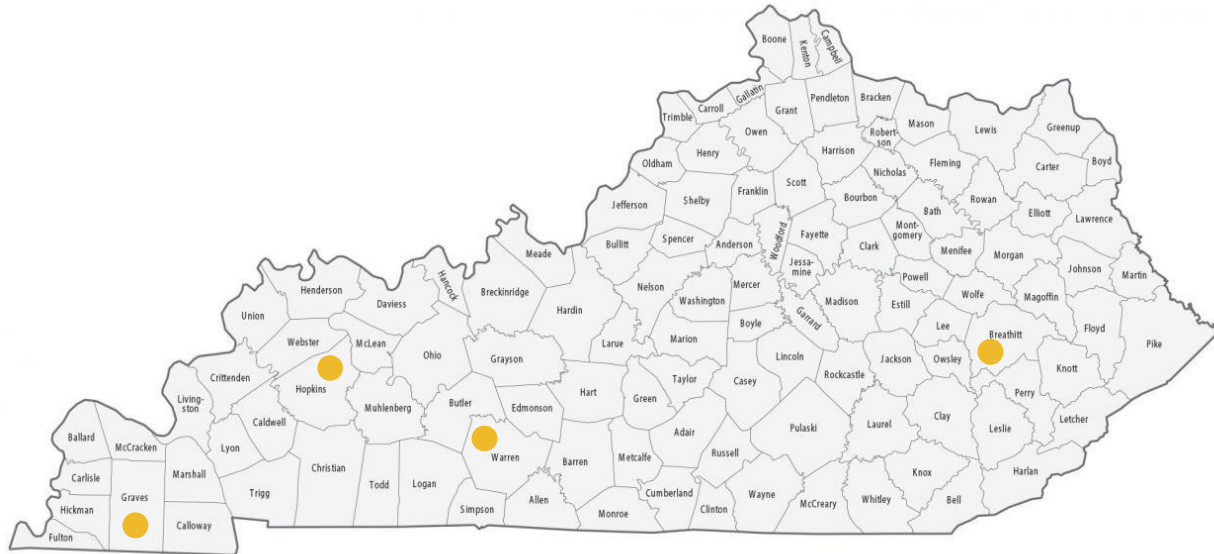


**Low-Mod Area (LMA):** the area benefiting from the project is residential in nature and primarily serves a low-to moderate population



**Urgent Need:** The urgent need national objective will only be used when an LMI national objective cannot be met and has demonstrable recovery or mitigation benefits within the eligible area

# Eligible Counties



● HUD-identified MID Area

Image Source: <https://gisgeography.com/kentucky-county-map/>

- HUD has identified the following MID areas for the 2021 KY disasters:
  - Graves County
  - Hopkins County
  - Breathitt County (41339)
  - Warren County (42101)
- Kentucky has decided to expand the HUD-identified MID areas in ZIP codes 41339 and 42101 to include the entire counties of Breathitt and Warren.

# Eligible Counties

In addition to HUD's identified MIDs, Kentucky has identified the following counties as eligible for CDBG-DR funding:

- Boyd County, Caldwell County, Christian County, Clark County, Clay County, Estill County, Floyd County, Fulton County, Greenup County, Hart County, Hickman County, Jackson County, Johnson County, Knott County, Laurel County, Lawrence County, Lee County, Leslie County, Letcher County, Lincoln County, Logan County, Lyon County, Madison County, Magoffin County, Marion County, Marshall County, Martin County, Morgan County, Muhlenburg County, Ohio County, Owsley County, Perry County, Powell County, Pulaski County, Rockcastle County, and Taylor County

# Eligible Activities

- Projects funded through this program must result in infrastructure, public facilities, or site improvements within the proposed scope of work. Infrastructure improvements also can include improvements intended for flood protection, drainage improvement, and hazard mitigation. Types of eligible projects include the following:
  - Improvement or rehabilitation of existing infrastructure, such as community water and sewer systems
  - New or enhanced stormwater management practices
- Additionally, activities required for the delivery of the infrastructure, such as site planning, developing the scope of the project, cost analysis, engineering, environmental review, and developing the application, are eligible expenses under this program.

# Ineligible Activities

## The following activities are ineligible:

- ⊗ Maintenance or operations
- ⊗ Comprehensive or land use planning
- ⊗ Purchase of construction equipment, or buildings used by government entities
- ⊗ Private utilities





# Award



# Maximum Awards

Subrecipients are eligible to receive an award up to \$3,000,000 based on estimated costs.

The maximum award will be \$3 million. The PISM award may comprise up to 100% of the total project cost; however, applicants who wish to contribute additional funds to increase the project cost beyond \$3 million may do so at their discretion.

DLG will consider exceptions to the maximum award amounts when necessary and in compliance with federal regulations.



# Application Process




**For applications to be eligible the project must:**

- ✔ Address damage from the disaster or mitigate the impact of damage from future disasters
- ✔ Meet a National Objective
- ✔ Qualify as a CDBG-DR eligible activity
- ✔ Be located in a declared disaster-affect area

# Application Process

- Subrecipients must download the CDBG-DR Housing Application located on the website [Kentucky DLG - DRP Grants](#) and submit it with all attachments to:
  - [Dlg.ofg@ky.gov](mailto:Dlg.ofg@ky.gov) or
  - [Dlg.dr@ky.gov](mailto:Dlg.dr@ky.gov)
- For specific application requirements please refer to Section 3.3 of the policy manual.
- Once applications have been scored and an award is determined, subrecipients will be notified directly from DLG by a preliminary approval letter.

Kentucky Community Development Block Grant Public Infrastructure and Stormwater Management Application Form					
For DLG Use Only 21D-		SAI Number		If a Project Involves Water or Sewer Activities WRIS Number	
PROJECT TITLE					
FEMA DISASTER #			MID Area: HUD OR STATE		
<b>APPLICANT</b>					
Legal Name		Authorized Representative		Email Address	
Street or P. O. Box		City	County	State KY	ZIP Code + 4
Telephone Number		Unique Entity ID		Tax ID	
<b>JOINT-APPLICANT</b> <input type="checkbox"/> CHECK BOX IF A FAITH BASED ORGANIZATION					
Legal Name		Point of Contact		Email Address	
Street or P. O. Box		City	County	State KY	ZIP Code + 4
Telephone Number		Fax Number	Unique Entity ID		Tax ID Number
<b>SUB-APPLICANT</b> <input type="checkbox"/> CHECK BOX IF A FAITH BASED ORGANIZATION					
Legal Name		Authorized Representative		Email Address	
Street or P. O. Box		City	County	State KY	ZIP Code + 4
Telephone Number		Unique Entity ID		Tax ID	
<b>PREPARER</b>					
Name		Telephone Number			
Organization		E-mail Address		DR-Certified Administrator Yes <input type="checkbox"/> No <input type="checkbox"/>	
Street or P. O. Box		City	County	State KY	ZIP Code + 4
State House District		State Senate District		Congressional District	Area Development District



Sample Program Application



# Project Implementation

# Project Implementation

Procurement

Contractor  
Standards

Construction  
Regulations

Section 3

Davis-Bacon  
Labor Standards

Environmental  
Review and  
Historic  
Preservation

Uniform  
Relocation  
Assistance

Financial  
Management

Conflict of Interest

Equal Opportunity

All procurements funded, in whole or in part, with CDBG-DR funds must comply with the CDBG-DR procurement policy as found in the appendix to the Subrecipient Manual, Chapter 4: Procurement.

DLG has modeled these CDBG-DR procurement requirements on 2 CFR Part 200 (referred to as the Omni Circular, previously known as the U.S. Office of Management and Budget Super Circular).

The CDBG-DR Procurement Code includes the following:

A code of conduct to govern the performance of the subrecipient's officers, employees, or agents in contracting with CDBG-DR funds and to ensure adherence to the conflict of interest and disclosure requirements (outlined in Chapter 1: Project Administration)

A requirement that positive efforts be made to use small, minority, female, low-income, and/or locally owned businesses

A requirement that contracts be awarded, to the greatest extent feasible, to businesses that provide economic opportunities for low- and very-low-income persons residing in the project area



# Contractor Standards

Contractors must comply with the Contract Work Hours and Safety Standards Act (CWHSSA) and the Copeland Anti-Kickback Act (the Copeland Act).

CWHSSA requires that for any federally assisted construction contract over \$100,000 subject to Davis-Bacon and Related Acts wage standards where the Federal Government is not a direct party, contractors and subcontractors must pay laborers and mechanics, including watchmen and guards, employed in the performance of covered contracts one-and-a-half times their normal hourly rate for any hours worked in excess of 40 hours weekly, based on a work week of 7 consecutive days.

The **Copeland Act** applies to contractors and subcontractors that perform work on contracts for the construction, prosecution, repair, or completion of public buildings, public works, or works that are financed in whole or in part by loans or grants from the Federal Government. The Act prohibits any person from inducing a worker on a federally funded project to give up any part of the compensation to which the worker is entitled. No payroll deductions are permitted that are not specifically listed in the Copeland Act unless the contractor has obtained written permission from the employee as specified in 29 CFR 3.5<sup>11</sup> for otherwise permissible payroll deductions.

# Construction Regulations

- Elevation of Non-Residential Structures
- Flood Insurance- Prohibition on assisting properties that failed to comply
- Flood Insurance: Requirement to purchase and maintain flood insurance
- Flood Insurance: Responsibility to inform property owners
- Requirements for Flood Control Structures
- Infrastructure Planning and Design

For specific details on Construction Regulations, refer to section 6.3 in the Policy Manual

# Section 3

Section 3 provides that economic opportunities generated by federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low-income persons and contracting opportunities should be directed to Section 3 businesses that employ these individuals, are involved in housing rehabilitation or housing construction, or other public construction with federal housing and community development funding in excess of \$200,000.

Infrastructure is considered “other public construction” and thus triggers Section 3. Subrecipients will be required to follow the DLG Section 3 requirements to further the goals of the Section 3 regulations.

Under CDBG-DR, DLG is required to report Section 3 labor hour requirements for the number of total labor hours, number of Section 3 labor hours, and the number of targeted Section 3 labor hours for all applicable construction activities. HUD staff will review the data reported to analyze DLG’s progress toward meeting Section 3 requirements and to inform on-site and remote monitoring engagements.

# Davis Bacon Labor Standards

- Under Section 110(a) of the Housing and Community Development Act of 1974, laborers and mechanics employed by contractors and subcontractors on construction work “financed in whole or in part” with CDBG-DR assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 3141 et seq.). The Davis-Bacon prevailing wage requirements do not apply to the rehabilitation, reconstruction, and demolition of residential property containing fewer than eight units; prime contracts of \$2,000 or less; bona fide volunteers where the procedures and requirements of [24 CFR 70](#) are met; or demolition that is not followed by construction.
- For activities that are subject to the Davis-Bacon requirements, DLG will carry out the implementation, monitoring, enforcement, and reporting activities that are specified in [HUD Handbook 1344.1 Rev. 3, Chapter 1, Section 1-5.B.](#)

# Environmental Review/Historic Preservation

All subrecipients must complete environmental and historic preservation compliance reviews before committing funds or beginning recovery activities. CDBG-DR appropriation acts prohibit HUD from waiving these requirements.

CDBG-DR subrecipients of the program are considered responsible entities and must complete an environmental review and obtain authorization to use grant funds from DLG for all project activities prior to obligating any project funds.

# Uniform Relocation Assistance (URA)



The Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (the URA), and its implementing regulations at 49 CFR 42 establish minimum standards for federally funded programs and projects requiring the acquisition of real property or displacing persons from their homes or businesses. The URA applies broadly to all planned or intended federally funded projects, funded in part or in whole, where

DLG must consider all acquisition of property, including easements, along with the potential impacts on the tenants. If an identified project results in tenants leaving their homes involuntarily (being displaced), the tenants may be eligible for tenant relocation assistance under the URA.

For specific details on URA, refer to section 6.7 in the Policy Manual

- Subrecipient is responsible for administering the program grant award.
- Key principles of financial management include:
  - Financial management systems
  - Internal controls
  - Allowability of costs
  - Use and tracking of program income
  - Audits
- CDBG Regulations (also required for CDBG-DR) require subrecipients who are governmental entities or public agencies to adhere to certain administrative and financial documents.
- The requirements found at 2 CFR Part 200 establish principles and standards for determining allowable costs under federal grants.
- The financial management requirements are described in greater detail within the Subrecipient Manual, Chapter 3: Financial Management.

# Conflict of Interest

No persons who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-DR-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-DR-assisted activity, or with respect to the proceeds of the CDBG-DR-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for 1 year thereafter.



Through the use of CDBG-DR funding, no person should be excluded, denied benefits, or subjected to discrimination on the basis of their race, color, national origin, sex, disability, or age. DLG and its subrecipients may not discriminate in any of the following areas: deciding who will be admitted or have access to any CDBG-DR-funded program or activity; providing opportunities in or treating any person with regard to such a program or activity; or making employment decisions in the administration of or in connection with such a program or activity.

DLG and the subrecipients must administer and fund programs that are in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601–3619), and implementing regulations, and will affirmatively further fair housing.



# Resources

1. [Link](#) to policy on DLG website
2. [Link](#) to subrecipient manual on website
3. [Link](#) to Action Plan on website

**Jennifer Peters**

Local Government Branch Manager

502.892.3469

[jennifer.peters@ky.gov](mailto:jennifer.peters@ky.gov)