

Allocation Announcement Notice (AAN) & the Consolidated Notice Overview

Changes for 2020 and future
CDBG-DR grants



2022 CDBG-DR AAN & the Consolidated Notice Training Series



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Objectives

With the AAN & the Consolidated Notice, potential CDBG-DR grantees can plan for and build the appropriate capacity to deploy CDBG-DR funds as soon as possible.

The objectives of this presentation are:

- To share the layout of the new notice
- To explain the new process for 2020 and future CDBG-DR awards
- To introduce the content of the AAN & the Consolidated Notice



Agenda

1. What is the AAN & the Consolidated Notice?
2. Intended Audience & Why it's Important
3. Overview of the Grant Process
4. Differences Between Prior Notices and this Notice
5. Specific Modifications in the Consolidated Notice
6. Upcoming Training and Guidance from HUD





Section 1

What is the AAN & the Consolidated Notice?



What is the AAN and what is the Consolidated Notice?

- The Allocation Announcement Notice (AAN) makes up section I. through VII. in the Federal Register.
- As always, grantees will see the Allocation Methodology included in the notice as Appendix A.
- The Consolidated Notice is located in Appendix B.

1 SUPPLEMENTARY INFORMATION:

2 Table of Contents

3 I. Allocations

4 II. Use of Funds

5 III. Overview of Grant Process

6 A. Requirements Related to Administrative Funds

7 IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements

8 A. Grant Administration

9 V. Duration of Funding

10 VI. Catalog of Federal Domestic Assistance

11 VII. Finding of No Significant Impact

12 Appendix A: Allocation Methodology

13 Appendix B: CDBG-DR Consolidated Notice

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What is the AAN and what is the Consolidated Notice?

- The AAN publishes the CDBG-DR allocations for disasters occurring in 2020 and includes waivers and alternative requirements specific to the Appropriations Act that allocated the funding.
- The Consolidated Notice combines and updates requirements from several different *Federal Register* notices and CPD Notices that have governed CDBG-DR funds in the past.



Section 2

Intended Audience & Why the Consolidated Notice is Important



Intended Audience

- 2020 CDBG-DR Grantees (and future CDBG-DR grantees)
- HUD has developed the Consolidated Notice to assist future grantees and other potential recipients plan for the use of CDBG-DR funds.



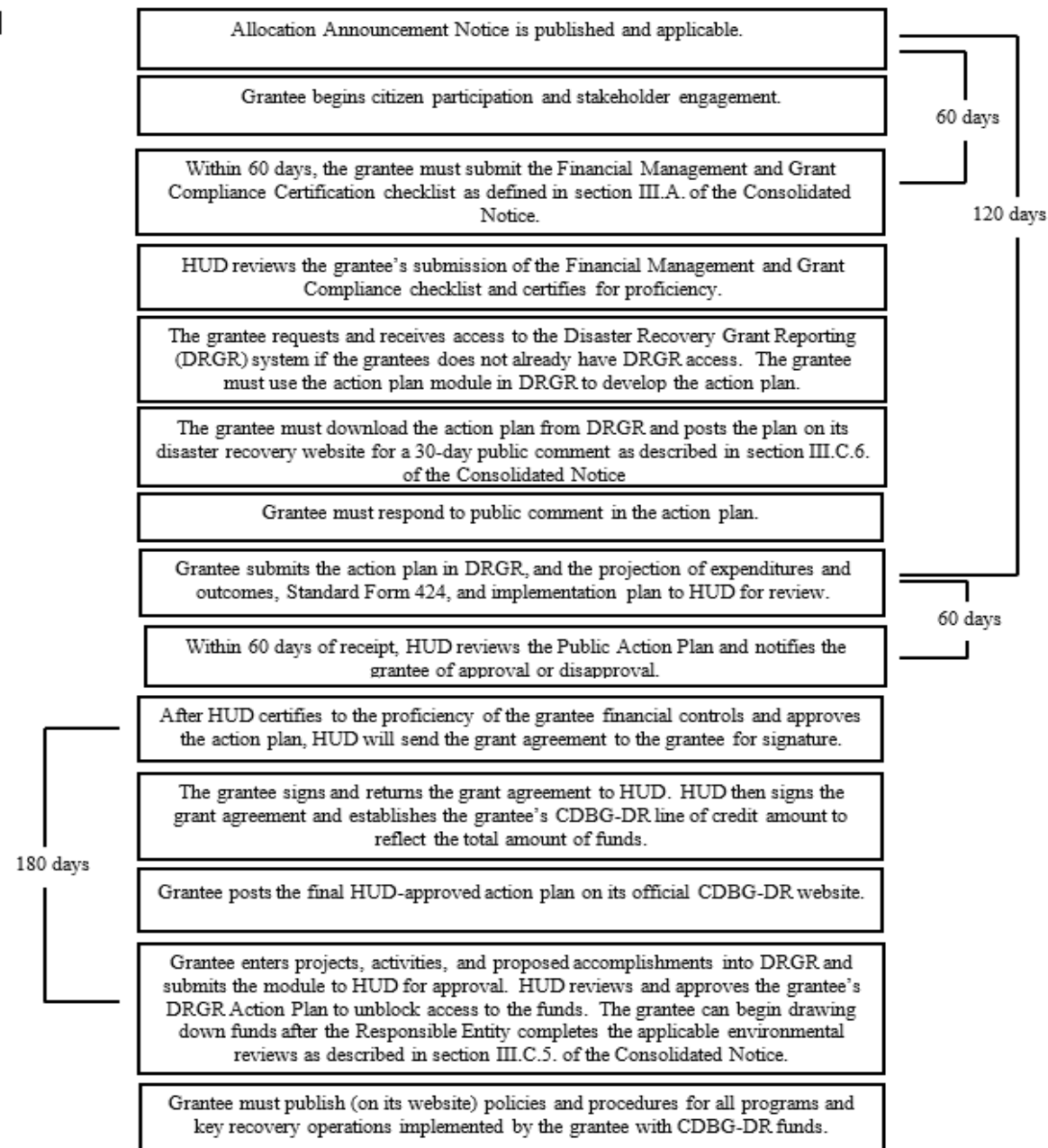
Why the Consolidated Notice is Important

- The Consolidated Notice not only consolidates previous requirements it also includes significant changes in CDBG-DR policies to reflect the Administration's priorities of combating climate change and achieving more equitable disaster recovery outcomes.
- In the coming months, HUD will be issuing the concepts from the Consolidated Notice as a Request for Information (RFI) to get public feedback on the notice.
- Once that feedback is incorporated, HUD plans to issue the notice as a stand-alone document that will apply to future CDBG-DR funds.



Section 3

Overview Grant Process



Section 4

Differences Between Prior Notices and this Notice



The AAN & the Consolidated Notice

- With prior CDBG-DR allocations, grantees often had to navigate through several different notices to understand the most up-to-date rules and requirements. With the 2020 allocation, grantees have both the “allocation-specific” requirements in the AAN, and the “consolidated requirements” in the Consolidated Notice (which in Appendix B in the notice) – all together in one document.
- In addition, the waivers and alternative requirements in the Consolidated Notice are informed by multiple disasters that are all different types and located in various geographic areas. This provides maximum flexibility to grantees and ensures support for a swift recovery.





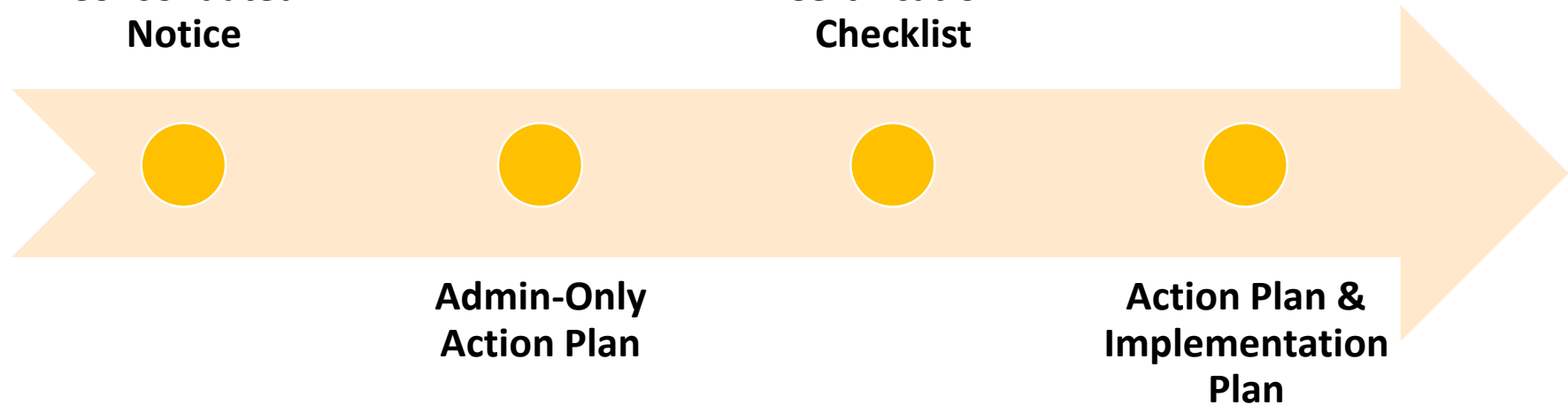
Keys Steps in the New Process



Keys Steps in the New Process

**The Allocation
Announcement
Notice (AAN)
and the
Consolidated
Notice**


**Financial and
Grantee
Management
Certification
Checklist**



**Admin-Only
Action Plan**

**Action Plan &
Implementation
Plan**





1) Requirements Related to Administrative Funds



Requirements Related to Administrative Funds

- The Appropriations Act allows grantees receiving an award under the 2020 Allocation Announcement Notice to access funding for program administrative costs prior to the Secretary's certification of financial controls, procurement processes, and adequate procedures for proper grant management.
- If a grantee chooses to access funds for program administration before the certification, then the grantee must submit to HUD an Admin-Only Action Plan, outside of DRGR, describing the use of the funds.



Requirements Related to Administrative Funds

- The action plan for administrative costs must be prominently posted to the grantee's official disaster recovery website for at least 7 calendar days. After the grantee responds to public comments, it will then submit its action plan for administrative costs to HUD for approval.
- HUD will then review the action plan within 15 calendar days from receipt. And after HUD approves it, the grantee can enter the activities for administrative costs into the Disaster Recovery and Grant Reporting (DRGR) system to access their funds.



Requirements Related to Administrative Funds

- **NOTE:** Grantees that submit the Admin-Only Action Plan first, must abide by the rules and requirements mentioned in that plan until their Public Action Plan is submitted. However, as soon as the public Action Plan is submitted, the Admin-Only Action Plan is no longer applicable. All the requirements of the Admin-Only Action Plan should be added to the Public Action Plan before it's submitted to HUD for approval.





2) Other Steps in the Grant Process



Other Steps in the Grant Process

- **#1:** Once the Allocation Announcement Notice is published and applicable, the grantee can begin citizen participation and stakeholder engagement (including the required public hearings) to inform recovery programs and activities.
- **#2:** Within 60 days of the Allocation Announcement's applicability date, the grantee must submit the Financial Management and Grant Compliance Checklist. HUD will review the submission and certify that the grantee is proficient.



Other Steps in the Grant Process

- **#3:** The grantee must develop its action plan for disaster recovery using the Public Action Plan feature in DRGR. The grantee must download and publish the Public Action Plan from DRGR to its disaster recovery website for a 30-day public comment period. The grantee must consider and respond to any public comments received.
- **#4:** Within 120 days, the grantee must submit its action plan, projection of expenditures and outcomes, Standard Form 424, and the Implementation Plan to HUD for review. HUD will then have 60 days to review the action plan and notify the grantee of approval or disapproval.



Other Steps in the Grant Process

- **#6:** Once certified and the action plan is approved, HUD will send the grant agreement to the grantee for signature. The grantee will sign and return the grant agreement to HUD who will then sign the agreement back and establish the grantee's line of credit to reflect the total amount of CDBG-DR funds.



Section 5

Specific Modifications in the Consolidated Notice



Specific Modifications in the Consolidated Notice

- Unless otherwise indicated in the 2020 Allocation Announcement Notice, all funds are subject to the requirements of the Consolidated Notice.
- Three specific modifications to the Consolidated Notice for this allocation are:
 - Duplication of Benefits
 - Mitigation Set-Aside
 - Interchangeability



Duplication of Benefits

- Grantees that received funds for 2020 disasters must follow the applicable sections of the [2019 DOB Notice](#) (84 FR 28836) and section IV.A of the CDBG-DR Consolidated Notice
- Training: <https://www.hudexchange.info/trainings/courses/duplication-of-benefits-webinar-2019/2970/>



CDBG-DR Mitigation Set-Aside

- 15 percent of funds received must be spent on mitigation activities in the MID areas
- The amount of a grantee's CDBG-DR Mitigation Set-Aside is included in Table 1 of the Allocation Announcement Notice



CDBG-DR Mitigation Set-Aside, cont.

Definition of Mitigation

- Mitigation activities are defined as those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.



CDBG-DR Mitigation Set-Aside, cont.

- Grantees must demonstrate that activities funded by the CDBG-DR mitigation set-aside:
 1. Meet the definition of mitigation activities
 2. Address the current and future risks identified in mitigation needs assessment in the MID areas
 3. Are CDBG eligible activities under Title I of the HCDA or otherwise eligible through a waiver or alternative requirement
 4. Meet a national objective



CDBG-DR Mitigation Set-Aside, cont.

- Meeting the requirements of the CDBG-DR Mitigation Set-Aside
 - Tie-back to a specific disaster is not required
 - Reporting on activities to count towards the CDBG-DR mitigation set-aside is required



CDBG-DR Mitigation Set-Aside, cont.

- Grantees can also choose to meet the requirements of the CDBG-DR Mitigation Set-Aside by including eligible recovery activities that have tie-back to the disaster and incorporates mitigation measures into the recovery activities.
- To count any activities towards the CDBG-DR Mitigation Set-Aside grantees must:
 1. Document how those activities and the incorporated mitigation measures will meet the definition of mitigation
 2. Report the activities as a "MIT" activity type in DRGR



CDBG-DR Mitigation Set-Aside, cont.

- Mitigation Needs Assessment
 - Must conduct a mitigation needs assessment to inform the activities funded by the CDBG-DR mitigation set-aside
 - Must assess the characteristics and impacts of current and future hazards
 - Must conduct a risk-based assessment to inform the use of the CDBG-DR mitigation set aside funds considering identified current and future risks
 - Must assess mitigation needs in a manner that effectively addresses the risks to indispensable services
 - Must cite data sources and use risks identified in the current HMP



Interchangeability of Funds

- When the most impacted and distressed (MID) areas overlap for qualifying disasters, CDBG-DR funds can be used to address unmet needs in both disasters.
- Grantees may choose to use funds announced in the 2020 Allocation Announcement Notice or any future or prior allocation to address unmet needs of both disasters, if MID areas overlap
- Grantees must follow the rules and requirements outlined in the *Federal Register* notice applicable to the funds (i.e., the rules follow the money)



Interchangeability of Funds, cont.

How does it work?

- Example: If a grantee is receiving funds under the notice for a disaster occurring in 2020 and the MID areas for the 2020 disaster overlap with the MID areas for a disaster that occurred in 2017, the grantee may choose to use the funds allocated under this notice to address unmet needs of both the 2017 disaster and the 2020 disaster. In doing so, the grantee must follow the rules and requirements outlined in the notice. However, if the grantee chooses to use its CDBG-DR grant awarded due to a disaster that occurred in 2017 to address unmet needs of both that disaster and the 2020 disaster, the grantee must follow the rules and requirements outlined in the **Federal Register** notices applicable to its CDBG-DR grant for 2017 disasters.



Section 6

Upcoming Training & Guidance from HUD



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HUD TA & Guidance

- HUD will issue accompanying guidance to provide technical assistance and best practices for potential CDBG-DR grantees.
- This guidance will provide potential CDBG-DR grantees and the public a thorough understanding on how to apply the provisions described in the Consolidated Notice.

COMING SOON ON [HUD.GOV](https://www.hud.gov):

- Factsheets
- An in-depth walkthrough of waivers and alternative requirements
- HUD's Public Action Plan in DRGR
- The Consolidated Notice Guidebook





Thank You!

If you have any questions, please feel free to send an email to DRSI's Policy Unit at DRSIPolicyUnit@hud.gov

