

2020 CDBG-DR Notice Overview for Grantees: Written Transcript

Luke: Welcome and thank you for joining today's conference. 2020 CDPG-DR Notice Overview, live grantee training. Please note that all audio connections will be muted until the Q&A portion of the call. To ask a content related question, please click the Q&A icon located at the bottom of your Zoom webinar. Type your question and send. Please open your chat panel by using the associated icon located at the bottom of your Zoom webinar. If you need technical assistance, please send a chat and address it to the event services host. With that, I will turn the call over to Jen Carpenter. Jen, please go ahead.

Jen Carpenter: All right, great. Thank you, Luke. Hello, everyone. Welcome to the 2020 CDBG-DR Notice Overview. Today we're going to be walking you all through the CDBG-DR Consolidated Notice and the Allocation Announcement Notice. Next slide.

So my name is Jen Carpenter. I'm the Assistant Director of Policy for Disaster Recovery and Special Issues Division at HUD. And I am joined by the rest of my policy unit. We have Wareesha Tariq, who's a CPD specialist. Next slide. Bonnie Newcomb, Clay Lloyd, and Bryce Knolhoff, all CPD specialists on our policy unit. So this is our policy brain trust here. So if you have questions after this notice, after this webinar, we're going to give our policy email address. You can reach out to us and one of us will be answering your questions that come in after the webinar.

So today we're going to talk about the Consolidated Notice and the Allocation Announcement Notice. What do those terms mean? What are we talking about? Then we're going to walk you through the sections of the notice. We're going to literally go section by section, break it into subsections. There's a lot to cover. So bear with us, but we really want to walk you all through this notice. It's a lot take in. And we just think it's valuable to give you some context for the new notice. And then we'll review the sections at the beginning of the notice, that's called the Allocation Announcement Notice. And then we'll make sure to take questions after that. Next slide.

Next slide. So what is the Allocation Announcement Notice? The Allocation Announcement Notice publishes the allocations for disasters. In this case, we're talking about disasters occurring in 2020, and it includes any waivers and alternative requirements that are specific to the Appropriations Act that gave the funding. So for 2020 disasters, we're talking about public law 117-43. In reading the notice, I'm sure you saw that over and over again we'll be referencing that throughout. But all of those specific requirements in that Appropriations Act will be covered in that first section of the notice, which we call the AAN.

And then the Consolidated Notice is Appendix B and it combines and updates requirements from several of our prior notices while also incorporating the

priorities of the Biden administration. So you'll see things that are focused on climate action and advancing equity throughout the notice.

For existing grantees. You're going to see a lot of provisions you've seen in the past that are kind of our bread and butter requirements for DR. But you're going to see a lot of new things too. And so, trying to balance our audience today, I know we have brand new grantees who either haven't gotten DR before, or it's been a long time since you've gotten DR funding. We are really going to go through each of those provisions and make sure... Sorry, I've got a dog in the background. Not much I can do about that. But we're going to make sure that we are calling out all those new provisions. So throughout the presentations, you'll see that word, new, right? And we're just calling out those new things. And we want to make sure that you're focusing on those. Next slide.

So I put this slide in the prerecorded video we did. Hopefully you all had a chance to review that. I just want to go back over it. I recommend that when you open the notice, you actually start with Appendix B with the CDBG-DR Consolidated Notice. That's really where all those requirements are from front to back for a DR program. And then once you've read that, then if you go back to the beginning of the notice to the Allocation Announcement Notice those sections, those are going to be the specific stuff in your Appropriations Act. All those things that Congress adds that are a little bit different for us every time, we kind of have to adapt to what those laws look like. So that's in that first section. And then as always, you'll see the allocation methodology, which explains the allocations in Appendix A. Next slide.

Next slide. So some key steps in the process, when we first published the notice it was on our website as a PDF on January 31st. We had to wait a little bit to get it actually in the Federal Register. That happened on February 3rd. If you all know how the Federal Register works, you then have to wait five days until it's made applicable. That happened for this notice on February 8th. So when you're reading the notice throughout, you'll see the term, the applicability date of your allocation and announcement notice. In your head, you can just think, "Okay, February 8th, 2022." That's what we're talking about.

And then the first deadline is going to be 60 days out. So that's April 9th. That's what in your financial and grant management certification checklist is due. That is available online. We have the link in the presentation. Yes, we will be sharing the presentation with you all, and we'll be posting it online. But if you go to that hud.gov site, where we have our 2020 grantee page, you'll find that checklist.

And then the next deadline is 120 days out where you'll see the implementation plan and your public action plan and DRGR are due. So June 8th is a big deadline. Keep in mind that we do allow grantees to come in for extensions of that action plan due date with good cause. So something to consider for new grantees or for whatever reason, if you feel like you need more time to build out that action plan, please talk to your grant manager and your CPD specialist about that. Next slide.

All right. So here are the sections of the notice. We've designed this PowerPoint to be a cheat sheet for you. So we're definitely going to share this with you all. These are the sections of the notice, so you can have those. Next slide.

The next slide breaks it down even more. This is the subsections of the Consolidated Notice. This is how our presentation will flow today. We're going to go through each of these subsections. And my team in building out this slide. We put the FR notice references on each slide. So again, a great cheat sheet for you. Each of these subsections will have the FR notice citation, which if you haven't seen that before, it's the volume number of the Federal Register followed by the page number. So it just helps you find where these provisions are in the notice. Next slide.

All right, I'm going to turn it over to Clay Lloyd who's going to jump into section one.

Clay Lloyd:

Great. Thank you, Jen. All right, hi everyone. My name [inaudible 00:08:23] and I'm a CPD specialist in the Disaster Recovery and Special Issues Division. And the section that I am going to present on are an overview of sections one and two of Appendix B, which is our Consolidated Notice.

So section one contains the overview of the purpose of this notice. And then section two is dealing with eligible activities. So something to keep in the back of your mind when you're reading this is that these are all waiver and alternative requirements that we list out in this Consolidated Notice our Appendix B that are based on our regulations. And those regulations can be found at 24 CFR part 5(70).

Okay. So section one is very small. Basically what it does is it lays out the requirements of any grantee who is subject to the notice, must follow all the waivers and alternative requirements in the notice. That's pretty standard. It also points out we're talking about in terms of how you still must follow your CDBG program regulations at 24 CFRR 5(70), unless they are waived. And as you can see, also similarly, the state grantees must follow the state CDBG regs, the local government grantees must follow the entitlement CDBG regs, and the Indian territory grantees must follow Indian CDBG regs. Next slide.

Okay, that was it for section one. It was pretty quick, but now we're going to go into more details, section two. A little bit more in depth because it has to do with all the waivers and alternative requirements that deal with our activities. Okay.

So section two, which is the eligible activities discussion, it starts here. For previous grantees, section II.A. is pretty much the same. II.A. lays out the three requirements that all eligible activities must comply with. Those are that the activity addresses a direct or indirect impact from the disaster, that it must be an eligible activity, and that it meets a national objective. Now, there is a new

sentence at the end there that discusses mitigation allocations. It states that any future mitigation allocations that might not require connection or tie back to disaster will have their alternative requirements written up in a future Allocation Announcement Notice. Okay, next slide.

Great. So section II.A.1 is documenting a connection to the disaster. I just want to note here, going forward you'll see in all of our slides that you can follow along in the Federal Registered Notice itself. We put the page numbers in there, so you can see on this one, it starts at page 87, FFR 6371. And that Federal Register notice can be found in the CDBG-DR section of the HUD Exchange website. Okay. So this requirement remains the same. And it's the requirement that grantees must maintain records documenting how each activity addresses a direct or indirect impact from the disaster. Next slide.

Great. Section II.A.2 is an entirely new section. And so I'm going to spend a little bit of more time talking about this. II.A.2.a Alignment with mitigation plans is new. It's stating that the grantee's action plan must align with any existing FEMA Hazard Mitigation plan or other state, local or tribal hazard mitigation plan. So when you're writing your action plan, make sure it is in alignment with those.

Section II.A.2.b is Mitigation measures. This is also new. Grantees must incorporate mitigation measures when they're doing construction, reconstruction or rehabilitation for both residential and non-residential structures. What that means is that basically if you have an eligible activity that includes swinging a hammer at any time, you must incorporate mitigation measures now. Next slide.

Okay. And the third sub part to this new section is II.A.2.c Resilience performance metrics. So what's new here is that grantees are now, if they're doing an activity that uses construction, reconstruction or rehabilitation, again, for both residential and non-residential structures, the grantees must establish resilience performance measures for the activity.

And so these new metrics have three types that must be created. The first one is tied to the activity's projected risk. So that's supposed to speak to an estimate of the projected risk to the activity from natural hazards. The second part is a metric that speaks to mitigation measures for the activity and how it'll address the projected risk. And then finally, third part is an assessment of the benefit the activity creates. We have examples in the notices for you for the natural hazard of high winds. And they're in parentheses here on the slide, but I'm also just going to go and show you another example of how to think about these types of metrics. Next slide.

So for our example here, we have a housing rehabilitation program, which is pretty standard for a lot of our grantees. The national hazard type would be, in this example, a flood. And to meet those requirements for the three new types of resilience metrics, these were the three that we created. The first one in regard to estimated projected risk was number of completed housing units in a

special flood housing area. The second one, which is speaking to the mitigation measures, is number of housing units elevated to at least two feet above base flood elevation. And the third one, which is assess the benefit, is number of housing units protected from a hundred year flood event.

Now these are example metrics and the ones in our notice are also example metrics. Our grantees, you'll be working to develop appropriate metrics that meet these new requirements, according to the national hazards related to your disaster.

Okay, moving on, next slide. Great. We're still in the activity section here. So this is II.A.3 Most impacted distressed areas. For previous grantees, this is similar to what was there before. This requirement states that funds must be used for cost related to unmet needs in the most impacted and distressed areas. There is a new segment which actually comes similar to previous language used for CDBG-MIT grantees. So it might look familiar. This one basically says grantees' expenditures for eligible needs outside of the HUD identified and grantee identified MIT areas are allowable, provided they can demonstrate how those funds will address unmet needs in the HUD and grantee identified MIT areas. Okay, next slide.

Great. So we're moving on now to section II.B, which is the Housing and Related Floodplain Issues section. First, we have section II.B.1, which is New housing construction waiver. That's the same as before. Regulations of 24 CFR 570 do not allow new housing construction as an activity. So there's a waiver that allows for new housing construction has an eligible activity. Great.

And then we also have II.B.2, which is Construction standards for new construction and reconstruction and rehabilitation. So we have three parts here. Or excuse me, four parts here, the resilient building standards section, the standards for rehabilitation of non-substantially damaged residential buildings, the elevation standards for new construction, reconstruction and rehabilitation, and broadband infrastructure in housing.

And what's new here is that for section II.B.2.a, there's both a building standard and an energy standard. And so they have both been updated. And grantees must meet one of each, so one from the building and one from the energy, to be in compliance with this requirement. We'll go to the next slide here.

So the building standards that we list off here are, for example, our lead and National Green Building Standard and Green+ Resilience. And there's a full list in the notice. And then in the energy standards, we have ENERGY STAR and DOE Zero Energy Ready Homes. And there's a full list in the notice. And just remember that grantees must identify in the project file which standard they're going to be using for each of the buildings that are in regards to this requirement. Okay, next slide.

Great. Okay. So going into a little more detail here on the elevation standards under the housing section, we state that all structures that are defined at 44 CFR 59.1 are designed for residential use and located on a hundred year floodplain must be built two feet above base flood elevations. We also state that mixed use structures must be elevated to at least two feet above base flood elevation. And then finally, we have critical actions which states that any critical action within a 500 year floodplain must be elevated to at least three feet above a hundred year floodplain elevation. And critical actions are defined as any activity where even a slight chance of flooding would be too great of a risk. And those can include hospitals, nursing homes, shelters and others. Okay, next slide.

Great. So II.B.3 has to do with affordable rental buildings, and that's five plus units. So that's the key phrase there. And what's new is when you're building something or rehabbing something that's five plus units, you must define affordable rents based on the home standard. And for the vast majority of construction activities that need to meet this requirement, it's going to be that last line in the table there, which is 20 years minimum. Just remember also that you must record this in the deed restriction and that beneficiary must monitor for the resident [inaudible 00:21:08] for the entire affordability period. And we have a link to the HOME standard there in this slide. All right, next slide.

Great. So II.B.4 is similar, but now instead of talking about five plus units, we're now talking about four units or less. And this requirement targets newly constructed single family homes. So it's the same idea. It's for homes that you're selling. This time, it's for homes that you're selling to an LMI individual. This time you're selling that home and you must follow the "home affordability standards", which for the vast majority, again, of our projects are going to be the last row on that table, which is a 15 year minimum period of affordability. Okay, next slide.

Great. Moving on to II.B.5, Home ownership, assistance waiver and alternative requirement. This is similar to the previous requirement. It provides an increase of eligibility to people that are 120% of the area median income. It also provides an alternative requirement, where up to a hundred percent of down payment assistance, which is different than the regular CDBG program regs. So even though this is similar to the previous, it's important to note that what is new is that this looks different. So if you've looked at this in previous allocations, or if you're a previous grantee, it looks a lot different, but actually this one is the same requirement. What we did here is we just copied and pasted the entire regulation in there for convenience, so people don't have to cross reference back and forth. All right, next slide.

All right, moving on. This is still the activity section, section II.B.6. This is the limitations on emergency grant payments, specifically interim mortgage assistance or IMA. What's new is we have allowed IMA up to 20 months, but now we're more specific on how we use it. And we're basically saying it's used in conjunction with a buyout program or the rehab and reconstruction of family

housing. And that it's where an owner is carrying two payments for housing. They may be carrying their mortgage payment as well as a rental payment for another place nearby that they're living in while their home is being rehabilitated. Next slide.

All right. So we are now in section II.B.7, which is the buyout section. This is the buyout activity. Of course it's not new. We had it for a while. It's one of our standard activities, but it's always been created out of our notices. So this is where we define it. And what makes an acquisition a buyout activity is when you're purchasing a property for the purpose of reducing risk. And what's important about it is that the two sub requirements there is that it's located in a flood plain or disaster risk reduction area, and that it's dedicated to maintaining open space in perpetuity. Open space is defined as used open space, recreational flood plain, and wetland management practices or other disaster risk reduction practices. So sometimes it's a return to nature, or sometimes it may be an athletic field. Okay, next slide.

Great. So going into more detail on this section, these are the elements where you see II.B.7.a, the buyout requirements. Roman numerals one through eight, but there are some new changes to the buyout activity section. The first one is that we now say that grantees must develop an open space management plan. If they don't know what that is, they can look it up online. It's pretty common now. And some people, some states and local governments, may already have it, in which case they can rely on that one and plug it into the one they've already created.

Another new element is the newer language where we require grantees to be thoughtful about protecting vulnerable populations and communities when they're undertaking the buyout activity. Also another new element is that it's no longer limited to real properties. So now we have the ability to purchase as part of a buyout mobile homes. And the last new element is definitely important where the evaluation method, grantees are now required to use the pre-disaster evaluation by default. And there are some exceptions now that they have to request for it to not be used in the default pre-disaster evaluation method. Okay. Next slide.

Great. II.B.8, Safe housing incentives. This is similar to previous allocations. What's new is that we've rebranded it as safe housing because that's the intent of this alternative requirement, is to help people move to a safe housing location where there's less disaster risk. The requirement does state that you must have a necessary and reasonable standard for the amount of housing incentive you provide to the beneficiary. Okay, next slide. Great.

And then section II.B.9 goes into the national objectives around buyouts. This is again, similar to previous allocation. It's the same requirements. We have LMH, LMA and LMC. LMH is where the grantee must verify that grantee assisted family secures new payment housing at the end. That's the objective LMA is focused on the area benefit. So it benefits an area that's low to moderate

income. And then LMC is when the objective is the clientele. Basically that means it's only available for low moderate income households that are being assisted. Those are the clientele that are being served. Okay. Next slide.

And then to tie it in, this is one of the last sections on the buyouts, is II.B.10 for the Safe Housing Incentive. There are new criteria changes. We specifically removed LMB as part of the notice. So now the only option is LMHI or housing incentive. And what you must do before is that you must document that the beneficiary has moved to a low risk area or structure. That's the safe part of the Safe Housing Incentive. Okay. Next slide.

Okay. This is still in the activity section II.B.11 Redevelopment of acquired properties. This is the same as the previous requirement, basically rules for when you voluntarily acquire someone at a property, but you don't do a buyout. You must follow eligibility funds for non-buyout acquisitions. And then II.B.12 is the prohibition of assistance for second homes. This is the same requirements as previous requirements, and you can't rehab or buyout housing assistance for second homes. The one exception of course is when doing a buyout on the second home that is eligible. Okay. Next slide.

Great. All right. That ends the buyout section. Still under the activity section, but we're moving on from housing related issues to infrastructure. So this is II.C. And what's new here is that II.C.1, we've defined infrastructure. It hasn't-

Clay Lloyd:

... C.1. We've defined infrastructure. Hasn't been fully defined in the past. The full definition isn't in our regulations at 24 CFR, part 570. So now we have this new definition, and it's still subject to all the eligible activities and national objective elements that are in the Housing Community Development Act of 1974. And you can read this full definition at your own leisure. Next slide.

Okay, Section II.C.2's the same. These are requirements around elevation of structures, which are the elevation standards for infrastructure activities. This one is looking at that they must be... Non-residential structures must be elevated in accordance with FEMA floodproofing standards at 44 CFR 60.3, up to at least two feet above a hundred-year floodplain. And then as well, all critical actions, which I defined previously, within the 500-year floodplain must be elevated according to FEMA floodproofing standards, as well to the higher of the 500-year floodplain elevation or three feet above a hundred-year floodplain elevation. Okay, next slide.

Okay, Section II.C.3 is the same and states that grantee have the ability to use CDBG-DR funds as a match to other federal programs. And then section II.C.4, requirements for flood control structures. What is new in this section is that the restriction on dams and levees change from prohibited to prohibited without preapproval. Okay, next slide.

Okay. Now we arrive at the final section that I have, which is section II.D, economic revitalization. Section II.D.1 is about prioritizing economic revitalization assistance. This is new. What's new here is the focus on our notices on the past, used to be on small businesses, but now the priority has changed. This section's now focused on underserved communities that were economically distressed before the disaster. In here in this section, we've defined what underserved communities are, and we explain that grantees must maintain supporting documentations on how they have prioritized those communities. So this is a major change and you should be discussing or thinking about when you undertake economic revitalization activities how you're meeting this requirement. Okay, next slide.

Great. Section II.D.2 is the same. It's the national objective documentation for activities that support economic revitalization. It's the same as the previous notices. It explains how to identify LMI jobs. And then we have section II.D.3, which is the public benefit for activities that support economic revitalization. This one's changed slightly. It's now waiving the specific standards for all economic development activities. You can go through the list there of which sections are waived. Okay, next slide.

Great. Section II.D.4 is clarifying a note on Section 3 worker eligibility and documentation requirements. There's a new link to CPD notice for this on the HUD exchange. You can see it there. And then section II.D.5 is the waiver modification of the job relocation clause to permit assistance to help a business return. It's the same, and basically the alternative requirement's where, if a disaster impacts a business and they left, you can help to allow that grantee to work with them to return to the community that was impacted.

Okay. I think we go back a couple of slides. Sorry. Back a few more slides. Looks like we might've jumped around here a little bit. Can we go all the way back to II.D.5? Okay. So one more. Yep, perfect. All right. Two, and we can go to the next slide to II.D.6. Great. Okay. This is underwriting. While this requirement hasn't changed, the underlying idea's slightly different now because we have a new priority. Remember, it's now underserved communities. So it's good to spend some time thinking about your writing requirements in the context of this new priority that we have in our notice.

Then we have section II.D.7, limitation on the use of funds for eminent domain. It's been a standard in our notices and it is the same in this one. Okay, great. All right, that ends the activity section. So now I'm going to pass it on to Bryce.

Bryce Knolhoff:

Thank you, Clay. Hi, everyone. For those of you who've gotten the chance to read the Consolidated Notice, you'll notice first outlines eligible CDBG-DR activities, and then details the grant administration requirements to carry out those activities. Today, I'll be presenting the grant administration waivers and requirements in section III, paragraphs a through c. So section III, paragraph a of the Consolidated Notice specifies the requirements related to the pre-award evaluation of management and oversight of funds. As in the past, grantees must

continue to certify and demonstrate that they have proficient financial controls and procurement processes, and adequate procedures for grant management before administering CDBG-DR allocations.

While the specific documentation requirements for this certification are similar to those outlined in past CDBG-DR notices and listed here from one through six, it's important to highlight that this documentation must be submitted to HUD within 60 days of the applicability date of the Allocation Announcement Notice or with the grantee submission of its action plan in DRGR, whichever date is earlier.

To clarify this timeline for 2020 disaster grantees, all certification documentation will be due by April 9th, 2022. HUD has created the financial management and grant compliance certification requirements for state grantees' 2020 disastrous checklist to help facilitate this process, and grantees should use the checklist to meet this requirement. And you can find this checklist on HUD's website and can also access it from this slide after the presentation. Next slide.

Once a grantee has received a CDBG-DR grant through an Allocation Announcement Notice, that makes the Consolidated Notice applicable. The Consolidated Notice allows the grantee to rely on prior certification submissions for subsequent CDBG-DR grants. This rule applies unless it has been more than three years since the executed grant agreement for the original CDBG-DR grant or a subsequent grant is equal to or greater than 10 times the amount of the original CDBG-DR grant.

If it has been more than three years or the amount is equal to or greater than 10 times the amount of the original grant, grantees must update and resubmit the required certification documentation listed on the previous slide, with the completed certification checklist. Next slide.

To indicate to HUD that a grantee is fully capable of implementing it, CDBG-DR grant, grantees must submit an implementation plan that includes a capacity assessment and address the staffing and internal and interagency coordination. With the Consolidated Notice, grantees are no longer required to submit the implementation plan prior to submitting the action plan. And more specifically, grantees must submit their implementation plans to HUD within 120 days of the applicability date of the Allocation Announcement Notice or with the grantee's submission of its action plan, whichever is earlier. To clarify this timeline for 2020 disaster grantees, implementation plan must be submitted to HUD by June 8th, 2022. Next slide.

In justice with the certification submission requirement, the Consolidated Notice allows grantees to rely on prior implementation plan submissions. Once a grantee has received a CDBG-DR grant through an Allocation Announcement Notice, that makes the Consolidated Notice applicable. Again, HUD will rely on grantee's prior implementation plans submissions for subsequent CDBG-DR

grants, unless it has been more than three years since the executed grant agreement for the original CDBG-DR grant or a subsequent grant is equal to or greater than 10 times the amount of the original CDBG-DR grant. But if either of those two scenarios apply, the grantee is to update its implementation plan to reflect any changes to its capacity staffing and coordination. Next slide.

And that concludes paragraph a of section III and brings to paragraph b, administration planning and financial management, which primarily outlines general requirements for grant administration and planning. That will be very familiar to past CDBG-DR grantees. The key difference is that the Consolidated Notice groups all state only waivers in the same section under this paragraph, and I will cover all of those in a bit.

But first, this paragraph of the notice starts off by stating that grantees have the responsibility to administer their awards in compliance with all applicable laws and regulations and are financially accountable for the use of all awarded funds. It also notes that as with past CDBG-DR grants, only up to 5% of the grant, plus 5% of program income generated by the grant, can be used for administrative costs by the grantee [inaudible 00:41:07] government or subrecipients. Next slide.

The Consolidated Notice does permit the use of administrative funds for the cost of administering any of the grants awarded under the Public Laws mentioned here on this slide and future acts without regard to the particular disaster appropriation from which such funds originated. This alternative requirement is also outlined in the Allocation Announcement Notice and applies to the 2020 disaster funds under Public Law 117-43. The grant administration planning section then goes on to clarify that both state and local government grantees are limited to spending a maximum of 15% of their total CDBG-DR grant amount on planning costs. Next slide.

And that brings us to the state grantees only section that I briefly mentioned earlier. Under this section, the Consolidated Notice specifies for state grantees that the aggregate total of their administrative and technical assistance expenditures must not exceed 5% of their grants, plus 5% of program income generated by the grants. It also specifies CDBG entitlement program... It also applies CDBG entitlement program regulations to state grantees so that state's disaster recovery planning activities are presumed to meet a national objective, and it allows a state to use its CDBG-DR grant allocation directly to carry out stated-administered activities. Next slide.

Additionally, the Consolidated Notice includes a state-specific waiver and alternative requirement for the distribution of CDBG-DR funding, allowing state grantees to distribute grant funds to units of local government and Indian tribes. And as with past CDBG-DR notices, the Consolidated Notice also establishes requirements for states when a state chooses to carry out activities directly through subrecipients and requires the state's subrecipients to comply with

applicable uniform requirements, except procurement requirements imposed by the state. Next slide.

While the record-keeping requirements for states in the Consolidated Notice aren't necessarily new to CDBG-DR, it's important to understand these requirements for monitoring and compliance purposes. The Consolidated Notice requires states that carry out activities directly to establish and maintain such records as may be necessary to facilitate review and audit by HUD in the state. The content of these records shall be sufficient to make compliance determinations and to show how activities funded are consistent with the descriptions of activities proposed for funding in the action plan and DRGR system.

It's also important to note here that grantees are expected to record data on the racial, ethnic, and gender characteristics of persons who are applicants, participants, or beneficiaries for fair housing and equal opportunity purposes. Next slide.

The Consolidated Notice goes on to conform the change of use of real property rule to the waiver, allowing a state to carry out activities directly, and then establishes responsibility for review and handling non-compliance. To establish responsibility for review in handling non-compliance, the Consolidated Notice details that if a state receives a direct award, the state shall make reviews and audits, including onsite reviews of any local governments or Indian tribes, designated public agencies and other subrecipients, and shall take such actions as may be appropriate to prevent a continuance of a deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. Next slide.

The state grantees only section closes out by requiring state grantees to determine the use of the state's CDBG-DR funding by consulting with all of disaster-affected local governments, including any CDBG entitlement grantees, Indian tribes, and any local public housing authorities. Next slide. And that brings us to section III, paragraph C of the Consolidated Notice, which addresses all action plan requirements.

So under the Consolidated Notice, grantees will still be asked to submit an action plan describing their programs and activities, but this action plan must conform to requirements in both the Consolidated Notice and the applicable Allocation Announcement Notice. In the action plan, grantees must identify the proposed use of all allocated funds and should address how the proposed activities will account for long-term recovery needs while incorporating mitigation measures to further resilience.

Another change worth highlighting is that the action plan must be drafted and submitted in a different manner than past CDBG-DR action plans. Grantees must now use the public action plan in DRGR to develop all CDBG-DR action plans and amendments moving forward. For those unfamiliar with the public action plan,

I'd strongly recommend that you check out the DRGR grantee public action plan training on the 2020 CDBG-DR grantees webpage on HUD.gov. Next slide.

To understand the type and location of community needs and to target limited resources to those areas with the greatest need, grantees must develop an impact and unmet needs assessment that will be incorporated in the action plan. Just as with past unmet needs assessments, this assessment is to inform the use of the grant and must cite data sources. Under the Consolidated Notice, future extreme weather events and other natural hazards should also be considered in the assessment. Grantees should factor in historical and protected data on risk in an analysis that uses the best available science, and must take into account the cost of incorporating hazard mitigation to protect against the hazards identified in the analysis. Next slide.

And as with past action plans, there must be a clear connection between the impact in unmet needs assessment and the grantee's proposed programs and projects. But the Consolidated Notice presents a new requirement that ask grantees to adopt an even more comprehensive disaster recovery approach, by requiring grantees to demonstrate a reasonable proportionate allocation of resources to areas and categories of greatest need. Through this reasonable proportionate allocation, grantees are no longer required to only prioritize housing, but can connect or propose programs and projects to their greatest needs, which may include economic revitalization infrastructure, and must incorporate hazard mitigation measures.

If grantees fail to include a proportion allocation to address their needs, they must provide an acceptable justification that details the reason for the disproportionate allocation. Next slide. The Consolidated Notice acknowledges the importance of addressing all disaster victims' unique housing circumstances and living situations by requiring grantees to describe in their action plans how they have analyzed, identified, and will address the unmet needs associated with the rehabilitation, reconstruction and new construction of public housing, affordable rental housing, including both subsidized and market rate, and housing for vulnerable populations.

To clarify the meaning of vulnerable populations, the Consolidated Notice defines these populations as groups or communities whose circumstances present barriers to obtaining or understanding information or accessing resources. This definition gives grantees the flexibility to identify vulnerable populations in their region, based on the multitude of factors, rather than limiting the definition to a set of pre-defined characteristics. In the interest of time, I won't highlight all the requirements associated with each description for these three types of housing, but I encourage grantees to read the subsection of the notice in detail. Next slide.

As in the past, grantees must continue to comply with fair housing and non-discrimination obligations, but the Consolidated Notice offers new guidance to ensure that the activities performed in connection with the action plan comply

with these obligations. To address this guidance, grantees must provide an assessment of whether their planned use of CDBG-DR funds will have an unjustified discriminatory effect on or failure to benefit racial and ethnic minorities in proportion to their community's needs, particularly in racially and ethnically-concentrated areas of poverty, and how the grantee will address the recovery needs of impacted individuals with disabilities.

HUD understands that these assessments are new to CDBG-DR grantees, and will be offering more resources and training opportunities with our fair housing colleagues, so that grantees will be prepared to complete these assessments and meet other fair housing requirements. The Consolidated Notice goes on and further outlines fair housing requirements by requiring grantees to consider the impact of their planned use of CDBG-DR funds on other protected class groups under fair housing and civil rights laws, vulnerable populations, and other historically underserved communities. The action plan should identify these populations and demonstrate how these groups can expect to benefit from the proposed CDBG-DR activities and programs. Next slide.

I think you need to go up a couple more. Sorry, forward. Again. And one more time. Okay, great. Thank you. While HUD has asked grantees to include fair housing and civil rights data in their action plans in the past, the Consolidated Notice requires grantees to include this data for the most impacted and distressed areas. This required data includes the racial and ethnic makeup of the population, the limited English-proficient populations, including the number and percentage of each identified group, the number and percentage of persons with disabilities, the number and percentage of persons belonging to federally-protected classes under the Fair Housing Act and other vulnerable populations as determined by the grantee, indigenous populations and tribal communities, including the number and percentage of each identified group, racially and ethnically-concentrated areas and concentrated areas of poverty, and historically-distressed and underserved communities.

With the help of this data, grantees must explain how the use of the CDBG-DR funds will reduce barriers that individuals may face when enrolling in and accessing CDBG-DR assistance. Next slide. The Consolidated Notice also intends on promoting environmental justice by requiring grantees to identify the proximity of natural and environmental hazards to affected populations in the most impacted and distressed areas, including members of protected classes, vulnerable populations and underserved communities.

Hazards that grantees are expected to identify include, but are not limited to, industrial corridors, sewage treatment and facilities, waterways, EPA Superfund sites, and brown fields. After identifying these potential hazards, the action plan must explore how CDBG-DR activities may mitigate environmental concerns and increase resilience among affected populations.

Additionally, grantees must describe how their use of CDBG-DR funds is consistent with their obligation to affirmatively further fair housing. Although it

is a best practice rather than a requirement, the Consolidated Notice also strongly encourages grantees to include examples of how their proposed allocations, selection criteria and other actions can be expected to advance equity, especially for protected class groups and for individuals with disabilities. Next slide.

The Consolidated Notice more clearly outlines the requirements associated with CDBG-DR-funded infrastructure activities, and emphasizes the importance of developing resilient infrastructure by requiring infrastructure investments to be designed and constructed to withstand chronic stresses and extreme events through the identification and implementation of resilience performance metrics. To fully address the infrastructure requirements, the action plan must also include a description of how the grantee plans to promote sound, sustainable, long-term recovery planning, adhere to the Consolidated Notice's elevation requirements, and coordinate with local and regional planning efforts. Next slide.

The Consolidated Notice offers all the action plan requirements for allocating CDBG-DR funds for infrastructure investments in a single location. While I won't read each individual requirement that's listed in the infrastructure section here, I do want to highlight the seventh bullet that summarizes a distinctly new requirement to consider when planning infrastructure activities. When allocating funds for infrastructure, the action plan must include how grantees will invest in the restoration of infrastructure and related long-term recovery needs within historically underserved communities that lack adequate investments in housing, transportation, water, and wastewater infrastructure prior to the applicable disaster. Next slide.

While requiring a description of how the grantee plans to minimize displacement is nothing new to CDBG-DR, under the Consolidated Notice, grantees must provide an updated residential anti-displacement and relocation assistance plan, which is more commonly known as a RARAP, and to indicate to HUD whether they will be amending an existing RARAP or creating a new RARAP specific to CDBG-DR. While this is an action plan requirement, we'll cover this later in the presentation in more detail as well. The grantee must also provide a budget for the full amount of the CDBG-DR allocation that is reasonably proportionate to its unmet needs and integrates hazard mitigation measures into all of its programs.

And as in the past, the grantee shall provide a description of each disaster recovery program or activity to be funded and the maximum amount of assistance available to a beneficiary under each program with a transparent exception policy. Next slide.

Grantees must also fully address the cost controls and warranties requirements by including a description of the standards to be established for construction contractors performing work in the jurisdiction and the mechanisms that assist beneficiaries in responding to contractor fraud, poor quality work and

associated issues. And by requiring a warranty period post-construction, with a formal notification to beneficiaries on a periodic basis. Additionally, the action plan must describe the grantee's controls for sharing of the construction costs are reasonable and consistent with market costs at the time and place of construction. Next slide.

And under the Consolidated Notice, grantees must incorporate resilience planning into their disaster recovery efforts to minimize future damage and to allow for communities to recover quickly from extreme events and changing conditions. At a minimum, the grantee's action plan must contain a description of how the grantee will emphasize high-quality design, durability, energy efficiency, sustainability, and mold resistance, support adoption and enforcement of modern and/or resilient building codes, fund feasible cost-effective measures, make land use decisions that reflect responsible and safe standards, and increase awareness of the hazards in their communities through outreach to the most impacted and distressed areas.

Also, it's important to note here that grantees should support adoption and enforcement of modern and resilient building codes by addressing climate-related risks, such as sea level rise, flooding and wildfire risk, and any identified weaknesses in building code adoption, using a tool like FEMA's nationwide building code adoption tracking portal. The action plan must also include a description of how the grantee will promote sound, sustainable, long-term recovery planning, informed by a post-disaster evaluation of hazard risk, including climate-related national hazards and the creation of resilience performance metrics.

This information should be based on the history of FEMA and other federally-funded disaster mitigation efforts and take into account projected increases in sea level, the frequency and intensity of extreme weather events and worsening wildfires. Grantees must use the FEMA-approved hazard mitigation plan, community wildfire protection plan, or other resilience plans to inform the evaluation, and the plan should be referenced in the action plan. Next slide.

So, after outlining the action plan requirements for all grantees, the Consolidated Notice highlights additional action plan requirements for states. State grantees must describe how they will distribute grant funds so that their chosen distribution will result in long-term recovery from specific impacts of the disaster. State grantees can choose to distribute funds through specific programs or projects that the grantee will carry out directly or through a method of distribution of funds to local governments and Indian tribes.

It's also worth pointing out here the Consolidated Notice also includes a new provision with a clarification that if a state chooses to use a method of distribution and some required information is unknown when the grantee is submitting its action plan to HUD, the grantee must update the action plan through a substantial amendment once the information is known. Next slide.

All states must also include in their action plans the information detailed in the seven bullet points here. While I encourage all state grantees to read these seven requirements in detail, in the interest of time, I just want to highlight the new state CDBG-DR action plan requirement outlined in the Consolidated Notice. Bullet number three is a new requirement that requires state grantees to describe how their distribution and selection criteria will address disaster-related unmet needs in a manner that does not have an unjustified discriminatory effect based on race or other protected classes, and ensures the participation of minority residents and those belonging to other protected class groups in the most impacted and distressed areas. Next slide.

The Consolidated Notice also specifies additional action plan requirements for local governments. While many of these additional requirements are similar to the state requirements noted on the previous slide and are not new to CDBG-DR, it's worth highlighting bullet number three again as a new-

Bryce Knolhoff:

New to city of [GDR 01:00:01]. It's worth highlighting bullet number three again, as a new requirement. For local government grantees, the action plan must also describe how their distribution and selection criteria will address disaster related unmet needs in a manner that does not have an unjustified discriminatory effect and ensures the participation of minority residents in those belonging to other protected class groups and the most impacted in distress areas. Next slide.

Consistent with prior CDBG admit notices, HUD's review period for CDBG-DR action plans will now be 60 days under the consolidated notice. This waiver also establishes a new alternative process that offers grantees the option to voluntarily provide a revised action plan updated to respond to HUD's comments no later than day 45 in HUD's 60 day review. Also, when considering obligating, or expending CDBG-DR funds, grant fees must first meet all applicable environmental requirements before the use or commitment of funds for each CDBG-DR activity. This requirement also specifies that the disbursement of CDBG-DR grant funds must begin no later than 180 calendar days after HUD executes a grant agreement with the grantee. Next slide.

The consolidator notice then outlines the requirements for action plan amendments. As in the past, each amendment must be published on a grantee's official website, and must describe the changes within the context of the entire action plan. The key difference with this requirement in the consolidated notice is that grantees now must amend their action plans in the DRGR system. While the logistics of amending the action plan, and DRGR may be slightly different, and grantees should review HUD sponsor DRGR trainings to navigate this process, the consolidated notice amendment requirements are essentially the same as those in past CDBG-DR notices, and outlined here on the slide. When amending the action plan, grantees still must identify exactly what content is being added, deleted, or changed, clearly illustrate where funds are coming from, and where they're moving to, and include a revised budget allocation table that reflects the entirety of all funds as amended. Next slide.

Under the consolidated notice, the specific requirements related to substantial amendments remain relatively the same as well. Each grantee must specify criteria for determining what changes in the grantees plan constitute a substantial amendment, but at a minimum, a change in program benefit, or eligibility criteria, the addition or deletion of an activity, a proposed reduction in the overall benefit requirement, or the allocation or reallocation of a monetary threshold specified by the grantee in its action plan, all constitute the substantial amendments to the plan. While three of these modifications have constituted as substantial amendments in the past, it's important to point out here that under the consolidated notice a proposed reduction in the overall benefit requirement will now lead to a substantial amendment. To complete the substantial amendment process, grantees must use DRGR and follow the same procedure is required for the preparation and submission of an action plan with the exception of the public hearing and consultation requirements. Next slide.

For non-substantial amendments, grantees must notify HUD, but are not required to seek public comment. When submitting either a non-substantial, or substantial amendment, grantees are to use DRGR and show it, and should always alert their HUD CPD reps and grant managers. Next slide.

As in the past, each grantee must submit projected expenditures and outcomes with the action plan. Projections must be based on each quarter's expected performance beginning with the quarter funds are available to the grantee, and continuing each quarter until all funds are extended. The only difference under the consolidated notice is that grantees will now use DRGR's upload feature to include projections and accomplishments for each program created. HUD's DRGR team is currently creating a new spreadsheet that grantees will use to upload their projections and accomplishments in DRGR. That will be posted shortly on the 2020 CDBG-DR grantees webpage on HUD.gosoon. Be on the lookout for that.

That finishes off the action plan requirements and concludes my portion of the presentation. I will hand it over to Wareesha to continue with presenting the rest of the requirements outlined in section three, Grant Administration. Wareesha, feel free to take it away.

Jen Carpenter:

Thanks Bryce. Hi everyone. This is Wareesha. I'm going to continue with section three, Grant Administration, while focusing on paragraphs D through G. Specifically, I will discuss the following four topics, citizen participation, program income, other general waivers and alternative requirements, as well as ineligible activities. The page numbers for each of these sections is listed on the slide. Feel free to follow along on the notice if you're reading it concurrently. Next slide.

Let's start with the topic of citizen participation. On this slide, you can see a list of all the headers that are found in this section of the notice. It's a good length. It goes over everything ranging from action plan requirements to website updates, citizen complaints, and even accessibility of documents. Generally speaking, we provided a lot more specific information in this notice related to

citizen participation. We have highlighted clearly on what's waived and what still applies from past regulations. Next slide.

In the introductory paragraphs of the section, it explains how grantees must follow a detailed citizen participation plan that satisfies the requirements of the regulations that are listed, except when we provided waivers and alternative requirements in earlier notices. Next.

In section III.D.1.a, we talk about the requirement for consultation during plan preparation. Grantees have always had to consult with a list of different stakeholders before, but what's new here is the inclusion of organizations that advocate on behalf of members of connected classes, vulnerable populations, and underserved communities impacted by the disaster. A grantee must also consult with other relevant government agencies, including state and local emergency management agencies that have primary responsibility for the administration of federal funds, if applicable. Next slide.

In section III.D.1.b, following the creation of the action plan, the grantee must publish the proposed plan, or substantial amendment for public comment, and it must be prominently displayed on the grantees official DR website. The grantee must also provide reasonable opportunity for everyone to review the action plan as well. Next slide.

Here, I want to bring your attention to the end of the first paragraph on the notice where it says that grantees shall consider if there are potential barriers that may limit, or prohibit, vulnerable populations or underserved communities and individuals affected by the disaster from providing public comment on the grantees action plan or substantial amendment. In this case, if the grantee identifies barriers that can limit or prohibit equitable participation, and the grantee must take reasonable measures to increase coordination, communication, affirmative marketing, targeted outreach, and engagement with underserved communities and individuals, including persons with disabilities and persons with LEP. Next slide.

Next, let's talk about the topic of public hearing. In the timeline of the whole process, grantees go to DRGR first to create the public action plan. Then they download the action plan as a PDF, and then they post it on their website and open it up for public comments. This is where the public hearing aspect happens. I just wanted to clarify that before we actually talk about the public hearing requirements themselves. According to the notice, grantees must convene at least one public hearing on the proposed action plan after it has published on its website to solicit public comments, and before submitting of the final public action plan to HUD. Basically following the steps I outlined above. Grantees with all allocations under \$500 million are required to hold at least one public hearing, and grantees with all allocations over \$500 million must convene at least two public hearings in HUD identified MID areas. Finally, if the grantee holds more than one public hearing, then it must hold each of the hearing in a different location within the MID area. Next slide.

Grantees can also convene public hearings virtually, but if they do that, then they must allow questions to come in real time, with answers coming directly from the grantee representatives to all attendees. For both virtual and in person hearings, grantees must update their citizen participation plans and provide that hearings be held at times and locations that are convenient to beneficiaries with accommodations provided for persons with disabilities, non-English speaking residents, and other vulnerable populations. Next, please.

One last slide about public hearings, and then we'll move on to the next topic. All in-person hearings must be held in facilities that are physically accessible to persons with disabilities. Grantees must also provide meaningful access for individuals with LEP at both in-person and virtual hearings. In their citizen participation plan, grantees must identify how the needs of non-English speaking residents will be met in the case of virtual and in-person public hearing where a significant number of non-English speaking residents can be reasonably expected to participate. More information about specific accessibility requirements are listed in this section. Next slide.

Moving on to section III.D.1.c. We have the same requirements as prior notices, which is that grantees must provide a reasonable timeframe no less than 30 days, and methods, including electronic submission for receiving comments on the action plan. Any updates or changes made to the action plan in response to public comments should be clearly identified in the action plan. A summary of comments on the plan, or substantial amendment, and the grantees response to each must also be uploaded to DRGR, and included in the plan with the grantees action plan. Most importantly, grantee responses must address the substance of the comment, rather than merely acknowledging that the comment was received. This is something that we have said several times in the past, but I just want to reiterate it because it's the most important thing. Next slide.

Section III.D.1.d states that grantees must make the action plan, any substantial amendments, vital documents, and all performance reports available to the public on its website. Vital documents is a new term in our notices. There's a link that offers additional guidance. Please check that out when you get a chance. I have it listed on the slide, but it is also available in the actual notice. Next slide.

That list of documents I just mentioned must also be available in accessible forms, and the grantee must provide meaningful access to a list of vulnerable and affected populations. In addition, the grantee must also describe the procedures, or assessing their language and translation needs, and more information on requirements related to non-English speaking residents is available in this section. Next slide.

In section III.D.1.e, we talk about the public website and how the grantee must maintain a public website that shows how all grant funds are used in administered. That's very important. The website must also include the

following items that are listed here. The action plan that was created using DRGR, including all potential amendments, each performance report created using the DRGR system, citizen participation plan, procurement policies and procedures, all contracts that will be paid with DR funds, and a summary, including the description and status of services or goods firmly being procured by the grantee or the subrecipient. Next slide.

The requirements in the public website section are the same as before, but something new is that during the public comment period, the grantee is going to put the action plan into DRGR and then they can download the PDF to post it on their website. This is the process I described in the slides earlier, but since it's something new, I'm just repeating it again on the public website section, because it's relevant here as well. One other point of interest is that contracts and procurement actions that do not exceed the micro purchase threshold are not required to be posted to a grantee's website. This is new because even though grantees always had to post contracts and procurement documents, we now have exempted anything that doesn't meet the micro threshold. This could really help in simplifying the website posting requirements. Next, please.

This slide talks about the application status, as well as timely response to citizen complaints information. All the info here is not different from previous FR notices, but I'll just mention it since we're going through most of the citizen participation sections anyway. The grantee must provide multiple methods of communication to provide applicants with timely information about the status of their applications. The grantee must provide a timely written response to every citizen complaint within 15 working days of the receipt of the complaint. If they don't do that, then they must document why additional time for the response was required. Next, please.

Finally, we are on the last slide of the citizen participation requirement section. Coincidentally, at the end of the FR notice page, if you're still following along on the year, the general requirements portion reiterates the need for accommodations for individuals with disabilities, as it is required by the Americans with Disabilities Act, as well as the need to provide vital documents that we discussed earlier. Next, please.

Okay. Now, let's move on to the topic of program income. Just like the first topic of citizen participation, I also have a new slide here that has a list of all the headers that are under this program income section of the FR notice. Some of the things in the paragraph include the definition of program income, what it does and doesn't include, retention of program income, use, close out, and transfer of it and even revolving funds, but generally speaking, most of the program income section is the same as before. The only difference is in section III.E.1, and that's going to be on the next slide. Let's go there.

Okay. In section III.E.1, HUD is waiving all applicable program income rules and providing the alternative requirement that states that program income earned by Indian tribes, there are subrecipients of state grantees or local government

grantees, will be subject to the program income requirements for subrecipients of those grantees. Next, please.

Like I mentioned earlier, everything else in this section is the same, but I did put section summaries for each of the headers, so you can come back to the PowerPoint for those topics if you want, or need, a quick glimpse. But here we have slides that talk about the definition of program income. Next, please.

What program income is not, retention of program income. Next slide. Program income use, close out, and transfer. One more. And one more. Even the topic of revolving funds. Next slide.

Okay. Yay. We are now done with the first two paragraphs from my original list of core topics, and we have only two more topics to go. We're doing great so far, so thank you for staying with me here. The next topic is going to be about general waivers and alternative requirements. On this slide, you can see a list of all the headers that are under this section of the notice. What's cool is that each header refers to a different waiver or alternative requirement. You can always look at this slide and see if something that a grantee needs is already mentioned here, or approved by us in a consolidated notice. Next slide.

This first one here is about the consolidated plan waiver. Here, HUD is temporarily waiving the requirement to annually review grantee performance under the consistency criteria. If a grantee is not scheduled to submit a new three to five year consolidated plan within the next two years, then it must update its existing three to five year consolidated plan to reflect disaster related needs no later than 24 months after the applicability date of the grantee's applicable allocation announcement notice. That's a mouthful, but the date to just remember here is February 8th, 2024. Next slide.

Now let's move on to the topic of overall benefit requirement. The notice requires that 70% of funds are used for activities that benefit LMI persons. Grantee can seek to reduce the overall benefit requirement below 70%, but it must submit a substantial amendment and provide a justification that meets several requirements that are listed in this section of the notice. This is a new thing in the notice. Make sure to read the specifics in this paragraph. Next, please.

In section III.F.3, we talk about the use of the urgent need national objective. The secretary is waiving the urgent need national objective criteria and establishing an alternative requirement for any DR grantee using the urgent need national objective for a period of 36 months after the applicability date of the grantee's allocation announcement notice. The date to remember here is February 7th, 2025. Next slide.

Section III.F.4 talks about reimbursement of disaster recovery expenses by a grantee or subrecipient. I have a couple of slides on this section since there are

some important rules that you should be aware of. Previously, this information was provided through a CPD notice, but has now included this information in the consolidated notice. That's the first thing to know. This section creates an alternative requirement that grantees must include any pre-agreement activities in their action plans, including any cost of eligible activities that were funded with short-term loans, like bridge loans, and that the grantee intends to reimburse, or otherwise charge to the grant, of course, consistent with applicable program requirements. Next slide.

First, what are pre-application costs? These are costs incurred by the applicant to a CDBG-DR funded program before the time of application to a grantee or subrecipient, which may be before pre-award or after the grantee signs a CDBG-DR grant agreement. Now, the grantee can only charge costs for the following conditions: rehabilitation, demolition, reconstruction of single family, multifamily, and non-residential buildings, including commercial properties owned by private individuals and entities incurred before the owner supplies to a DR grantee, or recipient, or subrecipient, of DR assistance. That mouthful of a paragraph shows the range of activities and beneficiaries that are eligible. Next slide.

Keep in mind that reimbursement of pre-application costs of homeowners, renters, businesses, and other qualifying entities is eligible only if one, the person or private entity incurred the expenses within one year after the applicability date of the grantee's allocation announcement notice, or within one year after the date of the disaster, whichever one is later, and two, the person or entity pays for the cost before the date on which the person or entity applies for the DR assistance. The date to remember here is February 8th, 2023. Next slide.

For rehabilitation and reconstruction costs, grantee may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area. Costs must be adequately documented as required by 2 CFR 200, and grantees must complete a duplication of benefits check before providing assistance. Next slide.

Grantees must incorporate into their policies and procedures the basis for determining that the assistance provided under the terms of this provision is necessary and reasonable. Grantees may not charge such pre-award or pre-application costs to grants if the grantee cannot meet all requirements at 24 CFR part 58. If a grantee cannot meet all the requirements, then the pre-application costs cannot be reimbursed with DR funds. Basically, the responsible entity assumes all legal liability for the application, compliance, and enforcement of these requirements. Next slide.

This section also includes the requirement to consult with the State Historic Preservation Officer, Fish and Wildlife Services, and National Marine Fisheries service, to obtain formal agreements or compliance with section 106 of the National Historic Preservation and section 7 of the Endangered Species Act of

1973, when designing the reimbursement program. All grantees must also follow all cross-cutting requirements, as applicable, for all DR funded activities, including, but not limited to the environmental requirements above, the Davis Bacon Act, Civil Rights Requirements, HUD's Lead Safe Housing Rule, and the URA. Next.

Okay. We're done with that topic. In section III.F.6, we discuss the alternative requirement for elevation of structures when using CDBG-DR funds as the non-Federal match in a FEMA-funded project. We have done this specific waiver for grantees in the past where we allowed DR grantees to meet the FEMA elevation requirement in times when the two requirements from DR and FEMA were in conflict with one another, and the FEMA-funded project had already started, but we have not provided this as a waiver for everyone before, so this is new. Next slide.

In this section, what we are saying is that if you are using CDBG-DR as a match, then we will waive HUD's higher elevation requirements, but the alternative requirements applies only when A, DR funds are used as the non-federal match for FEMA assistance, B, when the FEMA assisted activity started before HUD's obligated DR funds, and C, when the grantee has determined that the cost of the required DR elevation is just not going to be a reasonable cost. Next please.

While FEMA may change its standards for elevation in the future, as long as the CDBG-DR grantee is following a FEMA approved flood standard, then this waiver and alternative requirement will continue to apply. That's what makes it very attractive as a new law. Next slide, please.

In section III.F.7, grantee certification statements have been updated and they must be included with the action plan. What's new is that grantees need to upload the certification statements into DRGR and submit them with the final public action plan there. Next, please.

Now we are onto my final section, which coincidentally is the smallest part of my presentation. Here, we talk about ineligible activities in CDBG-DR. Next slide.

First, any activity that is not authorized under section 105a of the HCDA is ineligible to be assisted with CDBG-DR funds, unless explicitly allowed by waiver and alternative requirement in the consolidated notice. That's the definition of ineligible activities. But, additionally, we have prohibited some specific activities that are explored more in this section of FR notice. Section III.G.1 talks about the prohibition on compensation, section III.G.2 talks about the prohibition on forced mortgage payoff, and section III.G.3 talks about prohibiting assistance to private utilities. Next slide.

That's it for me. That's the end of the four topics under my section. I hope the information made sense. Now, I will pass the presentation off to Bonnie, who will take it from here.

Bonnie:

Thanks, Wareesha. Hi everyone. I'm going to cover the other program requirement section of the consolidated notice, which begins in section four of appendix B in the notice. The first requirement in this section is the duplication of benefits. Most of us are familiar with what a duplication of benefits is. This new notice doesn't add anything new to the DOB requirements. The grantee must comply with section 312 of the Stafford Act. Financial assistance can only be received for a disaster recovery need that has not been fully met, and grantees must establish DOB policies and procedures for the repayment of a CDBG-DR award when assistance is duplicated. Next slide.

For grantees that receive funds for disasters occurring in 2020, they must follow all requirements in the 2019 DOB notice. For convenience purposes, in the consolidated notice, we've included certain sections from the 2019 DOB notice that apply to all grantees, regardless of the disaster year. There are sections in the notice that are supposed to sunset this year, which may or may not happen, so we did not include those sections in the consolidated notice. We encourage grantees to read the 2019 DOB notice, so we've included that link here on the slide for the notice. We've also included a link for the 2019 DOB webinar, which walks you through the DOB notice. We encourage you to use that resource as well. Next slide.

Next, I will cover procurement requirements. Proficient procurement processes are defined in section III.A of the notice. For a grantee to have proficient procurement processes, a grantee must indicate the procurement standards that apply to its use of CDBG-DR funds, indicate the procurement standards, or subrecipients, or local governments, as applicable, and comply with standards it's certified to HUD that it follows, and updates the certification submissions when substantial changes are made, post the required documents to the official website, and include periods of performance and date of completion in all CDBG-DR contracts. Next slide.

Although not much has changed with procurement from the previous notices, I would like to go over some procurement processes for states, because there you'll find some updated language from the previous notice. States must comply with procurement requirements at 24 CFR 570.489g, and the alternative requirements of evaluating the cost or price of the product or service being procured, and state grantees must establish requirements for procurement processes for local governments for and subrecipients, based on full and open competition, consistent with the requirements of 24 CFR 570.489g, and also require the local government or subrecipient to evaluate the cost or price of the product or service being procured with DR funds. Those are not new requirements for states, but we do have one new provision for states. If the state agency designated as the administrative agency chooses to provide funding to another state agency, the administering agency must specify in its procurement processes whether the agency implementing the DR activity must follow the procurement processes that the administering agency is subject to, or whether the agency must follow the same processes to-

Bonnie:

Subject to, or whether the agency must follow the same processes to which other local governments and sub recipients are subject to, or follow its own procurement processes.

Next slide. Although not new to the procurement requirements, but worth mentioning from the notice, there is an additional alternative requirement for all contracts that use contractors to provide goods and services. So the grantee is required to clearly state the period of performance, or date of completion, in all contracts and must incorporate performance requirements and liquidated damages into each procured contract. Contracts that don't describe what performance by general management consulting services don't need to follow the requirements on liquidated damages, but must incorporate performance requirements. Grantees may contract for administrative support in compliance with 2 CFR 200.459, but may not delegate a contract to any other party any inherently governmental responsibilities related to oversight of the grant, including policy development, fair housing and civil rights compliance, and financial management. So that covers the procurement section, [inaudible 01:31:07] use upper quartile or exception criteria.

Next slide. The use of upper quartile or exception criteria in the notice are the requirements you see in the regular CDBG Program and in our prior notices. They're normal things that most all of us are used to seeing, for us to allow the use of the criteria. So the LMA benefit requirement is modified and fewer the one quarter of the populated block groups, and it jurisdictions contain 51% or more low- and moderate-income persons grantee can visit the website on the HUD Exchange to see what jurisdictions are eligible and we've included that link here to the website for your reference.

Next slide, please. Next up are the environmental requirements. So the section on environmental requirements is all information that's been in our previous notices. The clarifying note on the process for environmental release of funds and state carries out activities directly and requirement of the adoption of another agency's environmental review to satisfy the environmental review approval or prevent requirements.

Next slide, please. A few other environmental requirements that I'd like to highlight from the notice are the Historic Preservation reviews. So complying with Section 106 of the National Historic Preservation Act of 1966 and understanding the importance of how early coordination under Section 106 impacts the recovery process. Tiered environmental reviews, which is a means of making the environmental review process more efficient by eliminating repetition and instead focusing on actual issues that are at the decision stage. To complete requirements for Tiered and Historic Preservation reviews are located in the section of the notice. So please review the notice for those specific requirements.

Next slide. Next up are the flood insurance requirements. So flood insurance requirements help to ensure that grantees, recipients, and sub recipients

implement procedures and mechanisms to ensure that assisted property owners comply with all flood insurance requirements before providing assistance with GDBG-DR funds. Our notices always include these requirements and this notice is not changing any of those requirements to flood insurance purchase requirements. The grantee must comply with applicable federal, state, local, and tribal laws and regulations related to those flood insurance and flood plain management.

When using DR funds to rehabilitate and reconstruct existing residential buildings in a special flood hazard area, grantee must comply with Section 102(a) of the Flood Disaster Protection Act of 1973 requiring the purchase of flood insurance for any HUD-assisted property within a special flood hazard area.

Next slide. Continuing flood insurance is the prohibition on flood disaster assistance for failure to obtain and maintain flood insurance. So if the assistance provided was conditioned of the person first having obtained flood insurance, and they failed to obtain and maintain flood insurance as required under applicable federal law on the property, further assistance cannot be provided.

Next slide. Now I'd like to talk through a clarification on the requirement for the prohibition on flood disaster assistance for households above 120% of AMI for failure to obtain flood insurance. It's not a new requirement, but in this notice, we have tried to reword this requirement to make it clearer to understand. And the notice as an alternative requirement to 42 USC 53.05.a.4 that states that grantees receiving CDBG-DR funds are prohibited from providing DR assistance for the rehabilitation and reconstruction of the house, if the combined household income is greater than either 120% of AMI or the national median income, the property's located in a flood plain at the time of the disaster, and the property owner did not obtain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain insurance. So to clarify what that's saying, is the grantees cannot assist higher income household over 120% AMI using CDBG-DR funds, because the owner chose not to get in flood insurance, even when they're not required to have it.

And another flood insurance requirement is a responsibility to inform property owners to obtain and maintain flood insurance, which has not changed. So grantees or sub recipients receiving DR funds must notify property owners of their responsibility to notify the transferring of the requirements, to obtain and maintain flood insurance and to maintain written notification documents [inaudible 01:35:59] the transfer of the property. And the transferring owner may liable if he or she fails to do so, under Section 582 of the National Flood Insurance Reform of 1994.

Next slide. So now we come to the URA, Section 104(d) and the Related CDBG Program Requirements. Activities and projects that use CDBG-DR funding are subject to the URA, Section 104(d) and the CDBG program regulatory requirements at 24 CFR 570.6, you will notice some changes in the

requirements in this section Section 104(d), one-for-one replacement of lower income dwelling units. So in the past we waived the one-for-one replacement requirements for all properties, but now we are only waiving the requirement for owner occupied properties. This waiver exempts all disaster damaged owner occupied lower income units that meet the grantee's definition of not suitable for rehabilitation from the one-for-one replacement housing requirement of 24 CFR 42.375. Just a reminder: tenant occupied and vacant occupiable lower income dwelling units, demolished, or converted to another use other than lower income housing in connection with a CDBG-DR assisted activity are generally still subject to the one-for-one replacement requirements.

Next slide. So the requirements for the 104(d) location assistance, the URA voluntary acquisition home buyer primary residents purchase, the CDBG displacement, relocation, acquisition, and replacement housing program regulations, the optional relocation assistance requirements and waiver of Section 414 with Stafford Act are all similar requirements you'll find in our prior notices. We plan on working with our colleagues in the relocation of real estate division in CPD do a training specifically gear towards these URA provisions. So keep a look out for that in the near future.

Next slide please. For the URA replacement housing payments for tenants, the requirements are a way to get to that necessary to commit the grantee, to meet all or a portion of the grantee's replacement housing payment obligation to a displaced tenant. This waiver allows grantees to offer rental housing through a rental housing program subsidy provided that comparable replacement dwellings are made available to the tenant and the period of authorized assistance is at least 42 months. Grantee will want to read this section of the notice to learn all about this waiver and alternative requirement.

Next slide please. And lastly, I'm going to [inaudible 01:39:02] the changes in the notice that apply to the RARAP requirements. For the residential anti-displacement and relocation assistance plan, or RARAP, grantees must clarify that they have in effect and are following RARAP as required by Section 104(d) one and two of the HCDA and 24 CFR 42.325. So new to the requirements is granting for following an existing RARAP for CDBG purposes must choose the option of either amending an existing RARAP, or they can create a new RARAP specific to CDBG-DR, and they must indicate to HUD, in their action plan, which option they've chosen.

So grantees do not have an existing RARAP in place, because they do not manage CDBG programs, must create a separate Ray wrap for CDBG-DR purposes.

Next slide, please. The RARAP must describe how the grantee plans to minimize displacement of members of families and individuals from their homes and neighborhoods as a result of CDBG-DR assisted activities. The description should focus on the proposed disaster recovery activities that may directly or indirectly

result in displacement and the assistance that would be required for those displaced.

The RARAP must include a description of how the grantee would plan programs or projects to recognize the substantial challenges experienced by displaced individuals, families, businesses, farms, and nonprofit organizations, and develop solutions to minimize displacement, especially among vulnerable populations. And the description must be scoped to the complexity and nature of the anticipated displacement activities, including the evaluation of the grantee's available resources to carry out timely and orderly relocation and compliance with all applicable relocation requirements. Grantees want to review this section of the notice for all the requirements that apply to the RARAP. These are the requirements a HUD will be looking for when we monitor and what we're looking for from grantees in the action plan is for the grantee to tell us whether they're amending their existing plan or creating a new one. So this concludes my section of the presentation. Next up is Clay. He's going to talk about the components we use.

Clay Lloyd: Okay, great. Thank you, Bonnie, for the update on those changes to DOB and relocation, and I'm going to be quick with this section. It's about performance reviews and this is just this one slide. Part A is our timely distribution and expenditure of funds, so it's our deadline. So we have a six year deadline in the consolidated notice, but it can be extended with good cause. Part B is about the tools that HUD has at a disposal for corrective actions working with grantees. Then Part C it has some new components that has to do with the new public action plan, but we'll actually be going over those changes in more detail in the upcoming public action plan. Okay, now I'm going to pass it off to Jen.

Jen Carpenter: All right. Thanks Clay. We are almost done, folks. Stand up, stretch, get some energy back. Thank you for sticking with us. It's a lot to cover. We try to focus on some of the most important changes in the notice. So, hopefully you've been getting some good information from this. You can go to the next slide.

So I'm going to focus on that Allocation Announcement Notice. The first part of the notice, and then try to leave some time for live, in person questions here. So, as you guys have seen, the public law, 1.17.43 allows grantees to choose to submit an action plan for program administrative costs. So you as a grantee can come in, well before your public action plan is due and submit a plan to get access to those administrative funds. We have tried to make this easy for everyone since it's a new process, you can go on the 2020 CDBG-DR grantee page. I put it in the chat. You'll see there are some tools available for you. We've provided an optional template you can use that walks you through the sections that you need to fill out and then also HUD reviews checklists. We try to put our HUD review checklists up on the website just to add more guidance for you all. So go check that out. It's a pretty easy process.

All right, next slide. So let's talk about these requirements real quick. This is what you'll see in that template. There's a seven day comment period. So once

you fill out, if you use the template or you use your own, and then you'll post it online. You follow the same posting requirements, but it's only a seven day comment period. There are a number of your certification statements you have to make with this action plan for administrative funds. So make sure you check those out. It's in the notice. It's also spelled out in the template. We included the specific certifications.

Next slide. All right, so that's the action plan for administrative funds. This is a provision in 1.17.43. It's similar to a provision mentioned earlier in the presentation because it's been in prior allocations appropriations acts, but it basically allows you to use your administrative funds across multiple grants. So if you are a 2020 grantee, which I know probably about half the group has had DR or mitigation grants in the past, you can use the administrative funds from your prior grant to pay for eligible administrative costs under 2020 grant. So just keep in mind that tool is there for you.

Over to the next slide. And then DOB, I'm not going to spend too much time on this. I swear this dog was quiet the entire time. And then I start talking, and the dog goes with me, but I apologize for that. But for duplication of benefits, Bonnie covered it for 2020 disasters. You're going to follow the 2019 DOB notice. That is really where the rules and requirements of DOB live for you as a 2020 disaster grantee, so get familiar with that. Review the training.

Next slide. All right. The CDBG-DR mitigation set aside. So this is the special set aside that Congress put in the public law, where 15% of your DR grant is a set aside specifically for mitigation activities. You have to do a mitigation needs assessment, and then also make sure you're connecting your programs and projects back to that mitigation needs assessment, the same way you do with your unmet needs and the disaster recovery funds.

You're going to conduct a risk based assessment to inform the use of those funds. You have to consider current and future risks. So not just the risks that you identified because of the disaster you got the funds for. As we know, many geographies have multiple risks, multiple hazards, they need to plan for. So we want to make sure that you are including all of those. You have to make sure you are addressing mitigation needs in a manner that effectively addresses the risk to indispensable services. Find out where your hospitals are, where those roads, maybe to hospitals, often flood that's something you would want to use the mitigation funds for just as an example. Make sure you're citing data sources and using risks identified in the current hazard mitigation plan.

Next slide. As we have for our DR funds, same on the mitigation side, we have our four requirements. You have to make sure they meet the definition of mitigation. It's in the notice. It's the same that we used for our CDBG MID funds. You can see that definition there again, identifying and addressing current and future risks in the MID areas. Make sure that activities are eligible and that you meet a national objective.

Next slide. So I wanted to spend a little bit of time here. When you look at the mitigation set aside section, there are two ways for you to meet that set aside. So it's 15% of your grant, check out Table 1, that lists the amount that you need to meet for this set aside. It's all one grant, all one action plan. So you just need and make sure that you're accounting for those activities you want to count towards your 15%. Those activities can have tie back to the disaster, like normal recovery activities, where you're just incorporating mitigation measures, or, because it's mitigation, you can actually not do tie back here and you include activities that aren't tied back to the specific disaster that you got the fund for. They still have to fund for it. They still have to be eligible activities. Obviously still have to meet the definition of mitigation and incorporate those mitigation measures, but it doesn't require tie back.

I've been asked to give some wildfire examples. So, an example for that might be if you have a wildfire disaster and you have funds for that specific disaster, but in your MID area, there are other hazards that you need to plan for, like mudslides or other things in the most impacted distress areas. So maybe you're mitigating for mudslides instead of the wildfire, which is what you got your money for. And in regular DR, you always have to tie it back to that disaster, but here we allow no tie back. Making sure to count those activities towards your set aside, the big thing you must do is make sure you're documenting how they meet the definition of mitigation, and then report them as a MIT activity type into your DRGR.

Next slide. All right, a few more provisions, and then we'll end it. And for questions unique to 1.17.43 is the interchangeability of disaster funds. This allows grantees who have multiple grants. If their areas overlap, they can use the different pots of funds to address unmet needs of multiple disasters. If you remember anything, remember the rules, follow the money. So the rules in that federal register notice are what you follow when you're using those funds, regardless of the disaster you are addressing, right?

So, if you're using 2017 money to address some unmet needs from the 2020 disaster and the MID areas overlap, then the 2017 rules apply, right? So you wouldn't be following the rules of the 2020 notice you would be following the rules from your 2017 notice. So just remember that the rules follow the money. Then duration of funding, we already mentioned six year expenditures. You may request an extension for good cause.

Next slide. All right. So feel free to use that policy unit email. If someone from the team can drop that in the chat, too, so you guys will have it. We are checking that inbox regularly now. So please feel free to send emails. But let's do some live questions, if we have any. Luke, do you want to explain how folks should do that?

Luke:

Sure. Jen, thank you. As you move forward to the Q&A portion of today's call, you may enter the question queue by clicking the raised hand icon at the bottom of the Zoom webinar. When it is your turn, you will be asked to unmute

your microphone. If you are dialed into the conference, please press #2 on your telephone keypad to enter the queue. You will hear a notification when your line is unmuted. At that time, please state your name and question. You may also submit questions by clicking the Q&A icon, located at the bottom of the Zoom webinar.

At this time, I don't see anyone in the queue. Once again, if you would like to ask a question, please press #2, or use the raise hand icon looking at the bottom of the Zoom webinar.

Jen Carpenter: Maybe while folks are seeing if they're brave enough to ask a live question. No problem, if you're not, we still have the Q&A box open. I just want to reiterate, I think I said it in the chat, but the DRGR team who are not with us today, they will be doing a live grantee training on March 3rd. They're hoping to get that registration information out soon. That's actually going to be done through the HUD exchange, so it'll be a little bit different than we did this scheduling for this webinar. We're hoping to do some more webinars in the month of March. Don't forget to register for our 2022 CDBG-DR virtual problem solving clinic. We're in the midst of putting that together now. I'm pretty excited about the different things we're going to do to try to recreate the experience we get when we're all together for those problem solving clinics.

Because I know that for a lot of grantees, the highlight of that is when you all get together and can talk and share your experiences and give advice and ask questions of each other. So we're going to do our best to try to give you some space and time for that. So just go ahead and if you have seen it sign up for the HUD exchange list. That went out through that, and then also folks are asking about the slides. Just give us a little bit of time. We have to make the slides 508 compliant, and then we'll also take this recording and post it with the slides and a transcript up on that 2020 DR page on HUD.gov. So just keep checking back, give us until probably the middle of next week to get that done and everything will be posted there and you can download these and hopefully use them as a good cheat sheet for the notice. Any more questions coming in?

Luke: At this time, I don't see anyone in the queue, but looks like we do have a question that just came in the Q&A panel.

Jen Carpenter: Yes. Tribes are eligible applicants. I would say tribes should work with this state, for this allocation. We don't have any tribes as grantees, but they should work with their states and local governments as they receive funds. And there's certainly consultation requirements around that. But yes, Congress has given us the ability to give grants to tribes. So, it didn't happen for 2020 disasters, but as everyone knows, there's additional funds for 2021 disasters. Something to look for, but they are eligible.

All right, folks, we won't keep everyone. Thank you so much for staying with us on this. Look for the slides next week on that HUD page. And just generally we'll

be posting new fact sheets, new tools to look at on that page. So I would just keep it in your browser and favorite it and keep checking back.

Luke:

That concludes our conference. Thank you for using event services. You may now disconnect.