

# DRSI DIGEST

FEBRUARY 2021

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

VOL. 01

## HUD Community Development Block Grant Disaster Recovery Program



### MESSAGE FROM DRSI DIRECTOR: TENNILLE S. PARKER

The Disaster Recovery and Special Issues Division (DRSI) is pleased to publish the first issue of our DRSI Digest. The DRSI Digest is a quarterly newsletter to keep grantees and partners informed on the latest policy issues affecting our grantees, announcements on training and information-sharing, and highlighting the good work CDBG-DR grantees are doing in the field every day. We continue to be amazed by the resilience and determination of grantee staff carrying out disaster recovery in the midst of a global pandemic and commend your efforts.

Over the last year, DRSI has set up five regional teams across the country including: San Francisco, New York, Fort Worth, Atlanta, and the Caribbean (San Juan, Puerto Rico). Every issue of our newsletter will include a spotlight on grantees in one of these regional offices. One of the goals of setting up DRSI's new regional team structure is to allow HUD staff to be geographically closer to the grantees they work with and provide an increased level of customer service and technical assistance. A map of this new structure is included on the next page, including which grantees fall under which DRSI Regional Team.

### NEW DRSI PRODUCTS

[2018/2019 CDBG-DR  
ALLOCATION NOTICE](#)

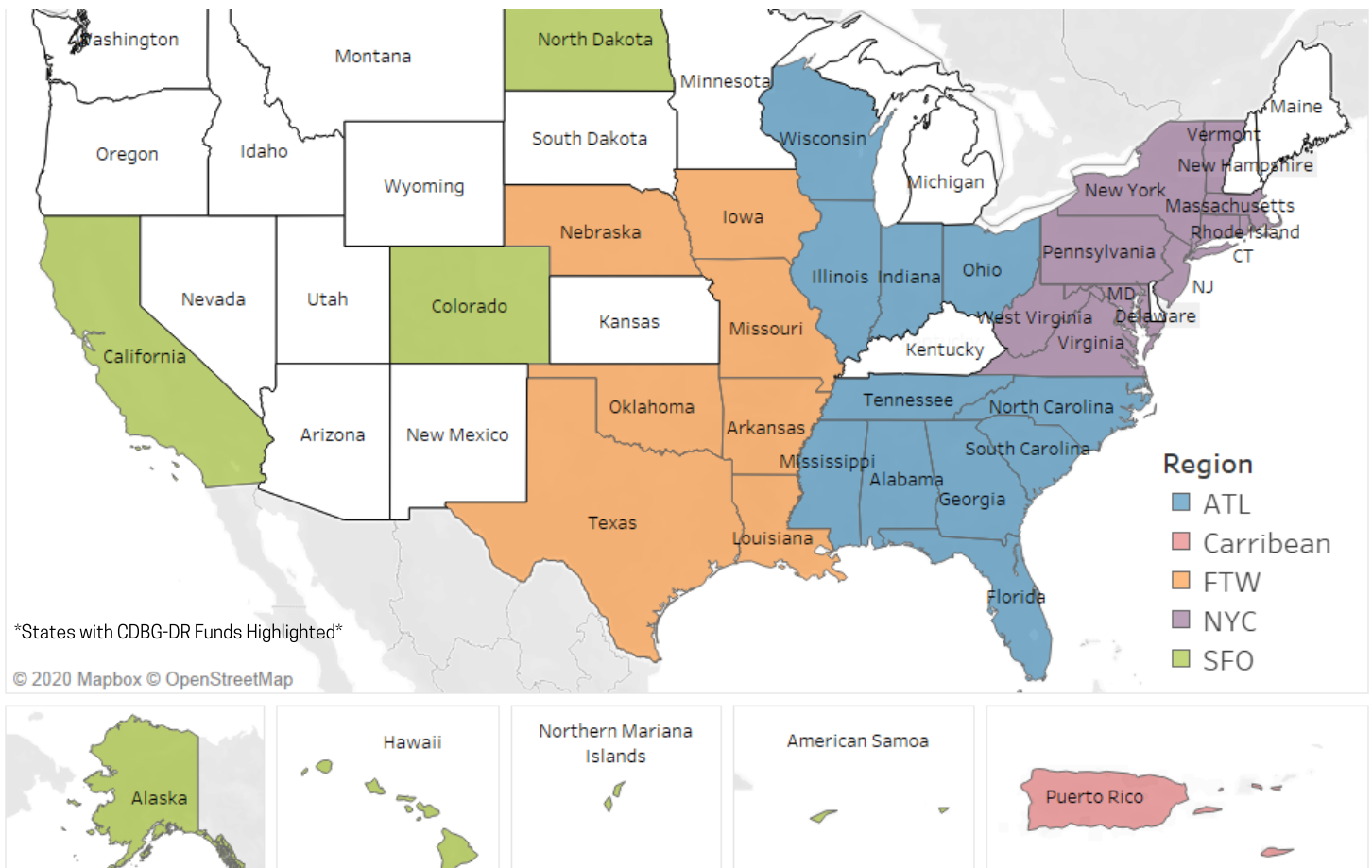
[2018 CDBG-MIT  
ALLOCATION NOTICE](#)

[OMNI NOTICE 2020](#)

[COVID-19  
EXTENSION NOTICE](#)

Questions about the newsletter?  
Send an email to [DRSIPolicyUnit@hud.gov](mailto:DRSIPolicyUnit@hud.gov)

## DRSI REGIONAL TEAM MAP



## DRSI EVENTS AND UPDATES

### 2021 CDBG-DR PROBLEM SOLVING CLINIC - GOING VIRTUAL

HUD is planning to host the next CDBG-DR Problem Solving Clinic virtually in March 2021 to help CDBG-DR and CDBG-MIT recipients successfully and compliantly implement their disaster recovery programs. More information will be shared once the details have been finalized.

### MATERIALS POSTED: CDBG-DR AND CDBG-MIT WEBINAR SERIES

DRSI hosted a webinar series in August 2020 for CDBG-DR and CDBG-MIT grantees to provide an introduction to each program and focus on building Federal partnerships. Materials for these webinars have now been posted and can be accessed [here](#).

### CPD'S TRANSITION TO HUD.GOV

DRSI and the rest of CPD will be changing the way we communicate with our grantees online. This quarter, DRSI staff will begin posting more and more HUD official documents on HUD.gov and will move away from using the HUD Exchange as its primary space for posting official documents. The HUD Exchange will continue to be a resource for our grantees and there will be cross-posting on both the HUD Exchange and HUD.gov, but grantees should anticipate that DRSI will be using HUD.gov to publish our official communications.



## POLICY UNIT: FREQUENTLY ASKED QUESTIONS (FAQS)

**FAQ #1:** HUD's most recent Federal Register notices include the following statement: "The grantee (or procuring entity) may contract for administrative support but may not delegate or contract to any other party any inherently governmental responsibilities related to management of the grant, such as oversight, policy development, monitoring, internal auditing, and financial management." Does this prohibit me from procuring for a contractor to help my staff with monitoring or auditing?

**ANSWER:** No, this does not prohibit you from procuring contractors to work on these items. However, the grantee must maintain oversight responsibilities and is ultimately responsible to ensure these tasks are carried out compliantly. For example, a grantee may begin to develop a plan to monitor its subrecipients and realize that it doesn't have the staff to carry out all the required functions. Grantees could follow the appropriate procurement requirements to bring in contractors to help with discrete monitoring tasks, but ensure that it maintains oversight. Language to that extent should be included in any vendor contract.

**FAQ #2:** Can a grantee use administrative funds from a previous CDBG-DR grant for one disaster to pay for the development of its action plan for another CDBG-DR grant for another disaster or for a CDBG-MIT grant?

**ANSWER:** While this would normally not be allowable, Congress passed Public Law 116-20 and included a provision to allow grantees with funds under Public Laws 114-113, 114-223, 114-254, 115-31, 115-56, 115-123, and 115-254, or any future acts, to use administrative funds across multiple grants. This means that if a grant is funded under one of the Public Laws in the list above grantees can now use administrative funds from one of those grants to pay for the development of an action plan for another grant, assuming it is also funded by one of those Public Laws listed above or a future act. Grantees should ensure that they are following the rules provided under their applicable Federal Register notice that add additional considerations for grantees to follow including:

1. Confirm that it has appropriate financial controls to ensure that the amount of grant administration expenditures for each of the aforementioned grants will not exceed 5 percent of the total grant award for each grant (plus 5 percent of program income).
2. Review and modify its financial management policies and procedures regarding the tracking and accounting of administration costs, as necessary, and address the adoption of this treatment of administrative costs in the applicable portions of its Financial Management and Grant Compliance submissions by submitting Addendum B to HUD.
3. Grantees are also reminded that all costs incurred for administration must still qualify as an eligible administration expense (HUD confirms that action plan development costs do qualify as eligible administrative costs).





# DRSI REGIONAL SPOTLIGHT

## SAN FRANCISCO REGION (SFO)

The San Francisco Regional Team, headed by Kevin O'Neill as Assistant Director SFO, is comprised of 6 CPD Specialists, 1 Financial Analyst, and 1 Program Support Specialist. The SFO regional team currently works with grantees and CPD Field Offices in Alaska, American Samoa, California, Colorado, Hawaii, North Dakota, and Northern Mariana Islands.

One grantee covered by the SFO Region, Hawaii County, HI, is currently recovering from the eruption of the Kilauea volcano. On May 3, 2018, the volcano erupted several hours after a magnitude-5.0 quake struck the Big Island. The eruption spewed lava into residential subdivisions in the Puna district of the Big Island, prompting mandatory evacuations of an estimated 3,000 residents. The eruption resulted in the destruction of more than 600 homes and it spewed enough lava to fill 320,000 Olympic-sized swimming pools. An area more than half the size of Manhattan was buried in up to 80 feet (24 meters) of now-hardened lava and the lava flowed over the course of four months.

"The 2018 Kīlauea eruption was a devastating event for many that changed our lives and our landscape," said Douglas Nam Le, the County's Disaster Recovery Officer. "But every disaster creates opportunities to learn from the past and shape our future. With the assistance of federal disaster funding, the County is working with the impacted communities to manage the redevelopment of infrastructure in the eruption area, and to provide housing solutions through a voluntary housing buyout program and relocation assistance with CDBG-DR funds."



Image Source: Hawaii County Planning Department

# KILAUEA VOLCANO ERUPTION

As a result of the eruption:

- 13.7 square miles was inundated by lava
- 612 homes were destroyed; amounting to \$296 million in pre-disaster market value
- 116 residences and many farms were isolated immediately following the eruption when lava cut off road access
- 3,000 residents were displaced
- 2,950 jobs were lost island-wide within one year of eruption and \$415 million lost in revenue
- \$236.5 million was lost in public infrastructure value
- \$99.4 million in revenue was lost from closure of Hawaii Volcanoes National Park
- The lava flow also created 875 acres of new land

## DISASTER RECOVERY EFFORTS



Image Source: Hawaii County Planning Department

HUD has allocated over \$107 million in CDBG-DR funds to Hawaii County to address unmet recovery needs. Generally, CDBG-DR funds support costs related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from the disaster. The County released its action plan in July 2020 for public comment that addressed its first allocation of CDBG-DR funds, and that portion of the plan was approved by HUD on October 15, 2020. The focus of the County's plan is to fund a very significant buyout program that will offer eligible recipients the pre-disaster value of their homes and move them out of harm's way. The plan also includes housing relocation services for eligible participants. More information on the plan can be found [here](#). With the second allocation of CDBG-DR funds the County is exploring additional housing solutions to address its unmet recovery needs.

Additionally, on January 6, 2021, HUD allocated the County \$6,862,000 in CDBG-MIT funds for eligible activities related to the mitigation of risks within the most impact and distressed areas resulting from this disaster. The action plan for CDBG-MIT funds is due to HUD in October of 2021.

Visit Hawaii County's CDBG-DR webpage here:

<https://recovery.hawaiicounty.gov/planning/recovery-funding/cdbg-dr>