

DRSI DIGEST

JULY 2021

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 third 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 work Community Development Block Grant disaster recovery (CDBG-DR) and mitigation (CDBG-MIT) grantees are doing in the field every day.

Over the past decade, our grantees' communities have witnessed a historic number of weather and climate events that have had catastrophic impacts. To fully recover and protect investments and people against future events that are growing in strength and severity, our grantees need to leverage all available funding from state, local, and Federal funding sources and also include funding available from private entities. When envisioning mitigation and disaster recovery, it is important to collaborate not only with federal partners, but with all stakeholders located in a risk area. This ensures a cohesive mitigation and recovery effort that leverages as many resources as possible to maximize the impact to the area. In this newsletter, we'll spotlight a project that exemplifies the success our grantees can have from leveraging all available expertise and resources.

NEW PRODUCTS

[ELECTRICAL GRID NOTICE](#)

[QUICK GUIDE - CO-MANAGING
CDBG-CV AND CDBG-DR](#)

[SECTION 3 GUIDANCE
\(NEXT PAGE\)](#)

[DRSI DIGEST
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Questions about the newsletter?
Send an email to DRSIPolicyUnit@hud.gov

DRSI EVENTS AND UPDATES

SAVE THE DATE!

March 29-31, 2022: (In-Person) CDBG-DR Problem Solving Clinic will be held in Chicago, IL at the [Palmer House Hotel](#). More details will be posted on the HUD Exchange at a later date.

NEW GUIDANCE - SECTION 3

The Section 3 regulations have changed, and are now located at 24 CFR 75. HUD published its [Section 3 Final Rule](#) in the Federal Register, which details the new location of the Section 3 regulations, as well as new benchmarks. [Section 3 FAQs](#) were published on the HUD website answering common questions around the new requirements. Registration is now open for [HUD Section 3 Training](#) on the new Section 3 Final Rule. Finally, DRSI has recorded guidance for CDBG-DR and CDBG-MIT grantees on how these changes will affect our grantees. The link to DRSI's training and to register for additional HUD training are below:

- Review: [Section 3 New Rule Guidance for CDBG-DR and CDBG-MIT Grantees Video](#)
- Register: [HUD Section 3 Training](#)

WHAT IS LEVERAGING AND WHY IS IT IMPORTANT FOR RECOVERY AND MITIGATION?

Leverage, in the context of recovery and mitigation, is defined as the effective coordination of multiple resources to increase impact. When HUD awarded CDBG-MIT funds to grantees of recent disasters for mitigation activities, it understood that successful mitigation starts with local and regional collaboration, and building upon the efforts of other Federal programs working to protect communities from the next disaster. That's why HUD has asked grantees to describe the steps they will take to leverage other mitigation resources and how it will align with other Federal programs so that CDBG-MIT projects can maximize their impact.

To successfully leverage mitigation efforts, CDBG-MIT grantees should develop coordinated planning efforts when writing their Action Plan. This includes engaging with other Federal, state, and local partners in mitigation, discussing opportunities with local stakeholders, and engaging with the community to build support. These planning efforts should create a more comprehensive mitigation project for their communities and open up lines of communication between government agencies and private entities at the state and local level that will serve communities better in the future.

EXAMPLES OF LEVERAGE

Examples of leveraging (both expertise and resources):

- FEMA's [Public Assistance](#), [Hazard Mitigation Grant](#), and [BRIC](#) Programs
- Department of Commerce - [Economic Adjustment Assistance](#)
- US Army Corps of Engineers - [Public Law 84-99 Rehabilitation Program](#) or [Levee Safety Program](#)
- [American Institute of Architects](#)
- [Department of Transportation Grants](#) - ER
- EPA State Revolving Funds ([CW](#) and [DW](#))
- Local Water and Energy Entities
- Local "Business Improvement Districts"





POLICY UNIT: FREQUENTLY ASKED QUESTIONS (FAQS)

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FAQ: OMB recently amended parts of 2 CFR, including 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. What rules apply to my CDBG-DR or CDBG MIT grant?

ANSWER: The 2 CFR amendments apply to CDBG-DR and CDBG-MIT grants prospectively from their effective dates. On August 13, 2020, the Office of Management and Budget (OMB) published final guidance in the Federal Register, at 85 FR 49506, revising 2 CFR parts 25, 170, and 200. OMB also added a new 2 CFR part 183 to implement Never Contract with the Enemy requirements. OMB published a correcting amendment on February 22, 2021, to correct citations, references, and general oversights (the February 2021 amendments do not substantively change the 2020 amendments to 2 CFR).

For CDBG-DR and CDBG-MIT grants, which are subject to regulations as may be amended from time to time, the 2020 and 2021 amendments to 2 CFR apply beginning on their effective dates. For grants made before the effective dates, the revised rules apply prospectively beginning on their effective date. All of the Part 200 amendments apply as of their effective date. The majority of the amendments are effective as of November 12, 2020, except for the amendments to 2 CFR part §§ 200.216 and 200.340, which were effective on August 13, 2020, and the correcting amendments which were effective on February 22, 2021.

For subawards, the effective date of the 2020 and 2021 amendments to 2 CFR is the same date the amendments were effective for the Federal award from which the subaward is made. The same 2 CFR part 200 requirements apply to the Federal award and its subawards because the requirements for a subaward flow from the requirements of the original Federal award from the Federal awarding agency.

Grants are only subject to those 2 CFR regulations made applicable by program regulations, waivers, and alternative requirements. HUD will make conforming rule changes to its program regulations in title 24 to implement the amendments to 2 CFR part 200. Most changes will be technical in nature to reflect changes to citations. Until HUD's regulations are amended, title 24 regulations continue to apply where there is no conflict between prior and now-changed 2 CFR requirements. Where the recent amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in 24 CFR part 570, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the part 200 requirements as replaced or renumbered by the part 200 amendments.

An unofficial document showing redlined changes to 2 CFR that was published August 13, 2020, is available from OMB: [2020 2 CFR Revisions Finalization \(Redlined\)](#) (grantees may use the unofficial redline as a resource, but should adhere to the requirements in the [electronic CFR](#), which contains additional revisions published February 2021).

Grantees may wish to review OMB's frequently asked questions that contain additional information about the recent 2 CFR amendments:

- [Sec. 889 of the 2019 NDAA \(2 CFR 200.216\) Frequently Asked Questions](#)
- [2 CFR Frequently Asked Questions](#)

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FAQ: Does CDBG-DR have a requirement that an applicant of CDBG-DR funds must prove ownership of a property to be assisted? Further, what kind of documentation should grantees require to show ownership?

ANSWER: CDBG-DR does not have a requirement of "proof of ownership" when grantees are carrying out recovery programs. Any decisions about requiring applicants to submit proof of ownership is up to the grantee and its chosen program design, however HUD would recommend grantees obtain documentation to protect the CDBG-DR investment.

If a grantee chooses to follow HUD's recommendation and require proof of ownership, there are several ways ownership can be documented that does not involve a deed or title. Grantees are encouraged to identify multiple methods that allow households to provide proof of ownership. For example, grantees could choose to accept self-certification, tax receipts, home insurance, or utility bills. Grantees should consider and determine their documentation requirements in the early stages of CDBG-DR activity planning and program design.

DRSI REGIONAL SPOTLIGHT

ATLANTA GEORGIA (ATL)

The Atlanta Regional Team, headed by William Bedford as Assistant Director ATL, is comprised of 7 CPD Specialists, 1 Financial Analyst, 1 Program Support Specialist, and 1 DRGR Specialist. The ATL regional team currently works with grantees and CPD Field Offices in Alabama, Florida, Georgia, Illinois, Indiana, Mississippi, North Carolina, Ohio, and South Carolina, Tennessee, and Wisconsin.

LEVERAGING WHOLE COMMUNITY COLLABORATION

CHARLESTON MEDICAL DISTRICT

City of Charleston

The State of South Carolina recently awarded a \$9,964,990 CDBG-MIT subgrant to the City of Charleston to advance the shovel-ready Ehrhardt Street Drainage Improvement Project to address flooding in the Charleston Medical District.

A History of Flooding

From 2015 to 2020, the Charleston Medical District experienced flooding 55 times due to either intense rain or a combination of rain and high tide conditions. The District experienced a record-high number of 89 flood events in 2019 resulting in approximately \$23 million of flood related costs. When operations are interrupted, it has a dramatic impact on the public health and safety of employees, patients, visitors, and residents of the area. Historically, flooding has shown to impede every emergency vehicle access route to the Medical District. The Ehrhardt Project is designed specifically to mitigate these types of flood events.

Managing Water: the Dutch Dialogues

The City of Charleston has been making significant investments to improve and adapt infrastructure and to shape development in response to the increased frequency and severity of these flood events. A cornerstone of these efforts is the participation in the Dutch Dialogues process. The approach combines integrated planning with urban landscape design. The Dutch Dialogues, through a collaborative effort with city, professional, academic, and community leaders in planning, stormwater management, resilience, and other interests, bring an integrated approach - tying together numerous entities collectively working to manage water.

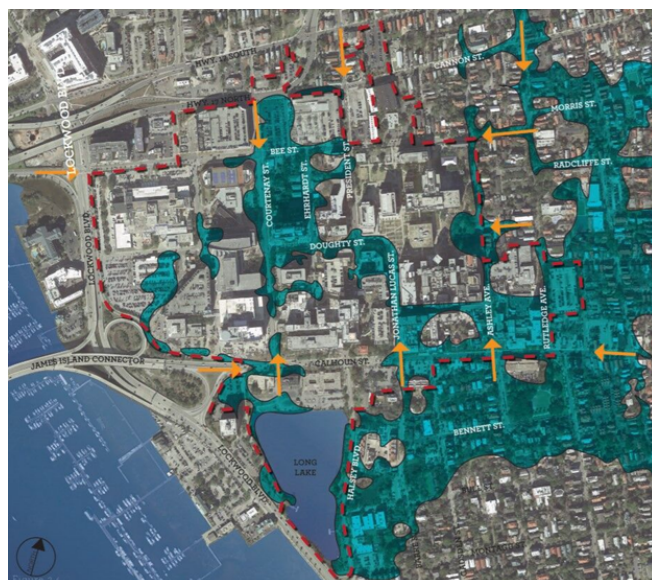


Image Source: Wikimedia



Image Source: AP



Image Source: AP

COLLABORATIVE APPROACH: CHARLESTON MEDICAL DISTRICT

Long Term Priorities

A specific focus of the City’s long term efforts, the Charleston Medical District is home to three major medical centers: the Medical University of South Carolina (MUSC), Roper St. Francis Medical Center (Roper), and the Ralph Johnson Veterans Administration Medical Center (VA). Together, these entities serve the entire Lowcountry region by offering both exceptional medical care and specialty medical services such as MUSC’s Shawn Jenkins Children’s Hospital. On an annual basis, the District employs 25,000 people, treats 400,000 patients, serves 75,000 veterans, and operates 120 businesses. Approximately 25% of the service population is low-to-moderate income. MUSC alone contributes an estimated \$3.8 billion in economic impact throughout the region and State.

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CDBG-MIT Project

\$9m CDBG-MIT project

\$4m CDBG-MIT project match

Connects to \$200m project

The Ehrhardt Street Drainage Improvement Project (Project) is a unique opportunity to mitigate flooding within 27 acres of the Charleston Medical District (CMD) by connecting it to the City’s almost \$200 million US-17/Spring-Fishburne Deep Tunnel Drainage Improvement Project. The Ehrhardt Project will construct a deep tunnel extension and drop shaft to drain the street level stormwater collection system into the deep tunnel and pump systems of the US-17/Spring-Fishburne Project. The City is currently constructing the US-17/Spring-Fishburne project and has completed the design of the Ehrhardt Street Drainage Improvement Project. The CDBG-MIT grant is being matched with \$4,173,500 in other funds (42% match) from multiple sources. Given that the engineering of the project is already complete, the project is planned to be completed in February 2023.

**2017
CHARLESTON,
SOUTH
CAROLINA**

5X
National Guard
transported personnel
to / from the hospital

12 DAYS
Medical University of South Carolina
(MUSC) used heavy equipment to
ensure access to the hospital

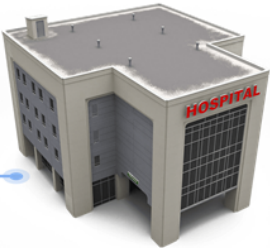


Image Source: First Street Foundation

