|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Guide for CDBG-DR (Addendum for Pre-2011 Disasters)** | | | | |
| **Name of Grantee:** | | **Appropriation(s):** | | |
| **Staff Consulted:** | | | | |
| **Name(s) of Reviewer(s):** |  | | **Date:** |  |

**NOTE:** Chapter 2 of the monitoring handbook, an important and fundamental principle of the monitoring process. HUD is required to make findings when there is evidence that a statute, regulation or requirement has been violated, but it retains discretion in identifying appropriate corrective action(s) to resolve deficiencies. An equally fundamental principle is that program participants have due process rights to contest findings (24 CFR part 570 subpart O for local governments and 24 CFR 570.495 for state grantees (in some cases, applicable waivers and alternative requirements may subject states to subpart O)).

As provided in Chapter 2, HUD reviewers are advised that certain questions contain, as a parenthetical below the question, statutory or regulatory citations and/or contract/agreement references. A negative response (“No”) by the HUD reviewer to any such question indicates noncompliance that constitutes a “finding.” Including the basis for the requirement enables the entity being monitored to specifically reference the program requirement at issue. That entity is not precluded from self-assessing during the monitoring to determine if it has information or documentation that would cause the HUD reviewer to form a different conclusion.

In this exhibit, most questions that address requirements contain the specific citation for the source of the requirement (specific citation to a section of a statute, regulation, *Federal Register* notice, or grant agreement). Where a specific citation is contained in the question, it may only apply to certain grants; carefully review the cited requirement to determine its applicability.

In other cases, the question generally references the source of the requirement (e.g., applicable *Federal Register* notices or grant agreement) but does not provide a specific citation. This is because statutory requirements, *Federal Register* notices (including waivers and alternative requirements), and grant agreements can vary significantly from appropriation to appropriation, and waivers and alternative requirements may vary from grantee to grantee. When the question contains a general reference to a source, the reviewer is instructed to review the source to confirm that the relevant requirement that relates to the question is contained in the source and applies to the grantee. The reviewer should answer the question based on the requirement that applies to the grantee. If the reviewer answers the question “no” because the grantee did not comply with the requirements in the source that apply to the grantee, the HUD reviewer must make a note of the applicable citation to document the violation that results in a finding of noncompliance.

Questions without a specific citation or a general reference to a controlling document do not address requirements. These questions are included to assist the reviewer in understanding the participant's program more fully and to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised but cannot result in a "finding."

A “Note” included with a question is intended to assist the reviewer with answering the question and is not a statutory or regulatory citation and/or contract/agreement reference that signals that a negative response (“No”) by the HUD reviewer to the question indicates noncompliance that constitutes a “finding.”

**Instructions:** This Addendum is to be used as a supplement to the following Chapter 6 Exhibits: 6-1: *Guide for Review of Overall Management and 6-2: Guide for Review of Flood Zone and Floodway Buyouts and Non-Buyout Acquisition* to monitor activities carried out with CDBG-disaster recovery (CDBG-DR) funds. For purposes of monitoring CDBG-DR grants awarded to Entitlement communities, this Exhibit should supplement Exhibit 3-17.

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**QUESTIONS**:

**A. OVERALL MANAGEMENT** (Supplement to Exhibit 6-1)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Does the grantee’s action plan include the grantee’s use of CDBG-DR funds in the amount it committed to use for the four types of activities that qualified it to receive a Disaster Recovery Enhancement Fund (DREF) allocation (or has the grantee already expended this amount for these 4 types of enhanced disaster recovery activities)?  **NOTE 1:** A grantee may reprogram funds from one of the listed enhanced disaster recovery activities to another, but if the grantee reprograms grant funds to any other activity, HUD may recapture the DREF allocation, in whole or in part, in accordance with section 111 of the HCD Act, 24 CFR part 570, subpart O, and the *Federal Register* notice.  **NOTE 2:** This requirement is only applicable to CDBG-DR funds for CA, FL, GA, IL, IN, IA, KY, LA, MS, MO, PR, TX, and WI under Public Law 110-329.  [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| Is the grantee projected to expend the amount it committed to expend for DREF activities? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| Originally Estimated Current Expenditures DREF Balance  CDBG-DR Grant(s) as DREF-Eligible ($) as DREF-Eligible ($) to be expended | |
|  | |
|  | **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1. Does the grantee’s action plan include the amount of funds the grantee is required to use for the repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD assisted housing) in the impacted areas?   **NOTE:** This requirement is only applicable to CDBG-DR funds under Public Law 109-234 and 110-329. The reviewer should look specifically at 71 FR 63337 and 74 FR 41146, as may be modified by other *Federal Register* notices.  [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Is the grantee projected to expend (or already expended) the required amount for affordable rental housing?   **NOTE:** This requirement is only applicable to CDBG-DR funds under Public Law 109-234 and 110-329. The reviewer should look specifically at 71 FR 63337 and 74 FR 41146, as may be modified by other *Federal Register* notices.  [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| Minimum Required for Currently Obligated Amt. CDBG-DR Grant(s) for affordable rental ($) for affordable rental ($) | |
| [Insert grant number]  [Insert grant number]  [Insert grant number]  [Insert grant number] | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Is the grantee in compliance with the 5% (or applicable) cap on administrative costs?  [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Is the grantee in compliance with the 20% cap on overall planning and administration (i.e., no more than 5% may be spent on administration)?  [See applicable appropriation law and *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

# **B. DUPLICATION OF BENEFITS REVIEW** (Applicable To All CDBG-DR Funded Activities Referenced Below)

|  |  |  |
| --- | --- | --- |
|  | For grants made under Public Laws 109-148, 109-234, Public Law 110-116, and Public Law 111-212, does the grantee’s action plan include monitoring standards and procedures that are sufficient to ensure that the program requirements for non-duplication of benefits is met?  **NOTE:** A duplication of benefits occurs when funds are available from any other source for the same purpose (to pay the same costs) paid with CDBG-DR funds. To determine whether the grantee prohibited the duplication of benefits, the monitor should examine the activity files to determine whether the grantee considered whether funds were available from the following sources to pay for the same costs that were paid with CDBG-DR funds, and if other sources of funds were available to pay the same costs, whether the award was reduced or whether if a DOB occurred, the grantee recaptured duplicative funds.  **NOTE 2:** The reviewer should look specifically at 73 FR 46312, 72 FR 70472, and 75 FR 69097, as may be modified by other Federal Register notices  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |
| Did the grantee check for duplicative funds from the following sources: | |
| 1. All forms of insurance? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Federal Emergency Management Agency (FEMA)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Small Business Administration? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. National Flood Insurance Program (NFIP) for flood-related disasters? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Other federal, state or local funding? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Other nonprofit, private sector, or charitable funding? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |  |  |  | |
|  | **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |
| --- | --- | --- |
|  | In regard to ***duplication of benefits*** (DOB),: | |
|  | 1. For grants made under Public Laws 109-148, 109-234, and Public Law 110-116, if a DOB was found, was there a reduction in the award amount?   **NOTE:** The reviewer should look specifically at 73 FR 46312, 72 FR 70472, and 75 FR 69097, as may be modified by other Federal Register notices.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. If a DOB occurred after the award of CDBG-DR funds, were funds recaptured?   **NOTE:** The reviewer should look specifically at 73 FR 46312, 72 FR 70472, and 75 FR 69097, as may be modified by other Federal Register notices.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Does the activity file show that CDBG-DR funds were not provided for an activity that is reimbursable by, or for which funds are made available by, FEMA or the Army Corps?   **NOTE:** The reviewer should look specifically at 73 FR 46312, 72 FR 70472, and 75 FR 69097, as may be modified by other Federal Register notice.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Law 108-324, does the activity file show that CDBG-DR funds were not used for any part of a disaster loss that is reimbursable by FEMA or eligible for Small Business Administration (SBA) assistance   **NOTE:** The reviewer should look specifically at 69 FR 72100 as may be modified by other *Federal Register* notices for Public Law 108-324.  [See applicable *Federal Register* notice(s), Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Law 108-324, does the activity file show that the CDBG-DR funds were not provided for any cost for which financial assistance was received under any other program or from insurance or any other source?   **NOTE:** The reviewer should look specifically at 69 FR 72100 as may be modified by other *Federal Register* notices for Public Law 108-324.  [See applicable *Federal Register* notice(s), Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** |  |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Laws 107-117, 107-73, 107-206, and 107-38, does the activity file show that CDBG-DR funds were not used for any part of a disaster loss that is reimbursable by FEMA or eligible for Small Business Administration (SBA) assistance?   **NOTE:** The reviewer should look specifically at 67 FR 4165, 67 FR 36017, and 68 FR 95, as may be modified by other *Federal Register* notices.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Laws 107-117, 107-73, 107-206, and 107-38, does the activity file show that the CDBG-DR funds were not provided for any cost for which financial assistance was received under any other program or from insurance or any other source?   **NOTE:** The reviewer should look specifically at 67 FR 4165, 67 FR 36017, and 68 FR 95, as may be modified by other *Federal Register* notice.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Law 111-212, does the activity file show that CDBG-DR funds were not used for any part of a disaster loss that is reimbursable by, or for which funds are made available by, FEMA or the Army Corps?   **NOTE:** The reviewer should look specifically at 75 FR 69097, as may be modified by other *Federal Register* notices.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. For grants under Public Law 111-212, does the activity the file show that the CDBG-DR funds were not provided for any cost for which financial assistance was received under any other program or from insurance or any other source?   **NOTE:** The reviewer should look specifically at 75 FR 69097, as may be modified by other *Federal Register* notices.  [See applicable *Federal Register* notice(s); Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | **Describe Basis for Conclusion:** | |

C. REVIEW OF FLOOD ZONE AND FLOODWAY BUYOUTS AND NON-BUYOUT ACQUISITIONS(Supplement to Exhibit 6-2)

|  |  |  |
| --- | --- | --- |
|  | For grants under Public Laws 108-324, 109-148, 109-234, 110-252, 110-329, 111-112, the following questions apply if the reviewer monitoring a *buyout* program funded with CDBG-DR funds, where CDBG-DR funds will be matched to FEMA Section 404 *Hazard Mitigation Grant Program* funds. | |
| 1. Do the grantee’s files show that the buyout acquisition complies with section 404(b)(2) of the Stafford Act, which requires that the property will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices, and impose deed restrictions or covenants running with the land to enforce these requirements?   [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Did the grantee take measures to prevent the erection of new structures on the property after acquisition?   [Applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Do the grantee’s policies and procedures show how the grantee’s acquisitions will comply with these requirements? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

**D. REVIEW OF NEW CONSTRUCTION OF HOUSING** (Supplement to Exhibit 6-3)

No supplemental questions to Exhibit 6-3

**E. REVIEW OF INFRASTRUCTURE** (Supplement to Exhibit 6-4)

No supplemental questions to Exhibit 6-4

**F. REVIEW OF ECONOMIC DEVELOPMENT** (Supplement to Exhibit 6-5)

No supplemental questions to Exhibit 6-5

**G. REVIEW OF HOUSING REHABILITATION AND RECONSTRUCTION** (Supplement to Exhibit 6-6)

No supplemental questions to Exhibit 6-6

**H. REVIEW OF WRITTEN AGREEMENTS** (Supplement to Exhibit 6-7)

No supplemental questions to Exhibit 6-7

**I. REVIEW OF PROCUREMENT** (Supplement to Exhibit 6-8)

No supplemental questions to Exhibit 6-8

**J. REVIEW OF FINANCIAL MANAGEMENT** (Supplement to Exhibit 34-1 and 34-2)

Supplemental questions to Exhibit 34-1 and 34-2 for disaster recovery can be found in Exhibit 34-1a and Exhibit 34-2a.