Overview

I. Background
II. Funding Overview
III. CDBG-DR Activities
IV. Waivers and Alternative Requirements
V. Overview of Disaster-specific appropriations
I. Background
What is CDBG?

- The Community Development Block Grant Program
- Authorized under Title I of the Housing and Community Development Act (HCD Act) of 1974
- Consolidated 8 Federal programs under which communities competed for funds
- Primary objective—develop viable urban communities through the provision of decent housing, suitable living environments, & expanded economic opportunities
Why CDBG for Disaster Recovery?

- Multiple Federal recovery programs
  - Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and the U.S. Army Corps of Engineers (USACE)

- CDBG is different than these programs
  - Allows many types of activities, offering grantees additional recovery options and tools
  - Provides grantees the discretion to address unmet recovery needs after other Federal, State, local, and Tribal resources have been exhausted
  - Prioritizes low- and moderate- income persons
CDBG Disaster Recovery (CDBG-DR) Funds

- Must **supplement** the standard recovery programs - **not supplant** them
- No annual appropriation; statutory authority provided by Congress via supplemental appropriations in response to a disaster
- Appropriations provide authority to adopt, modify, and/or waive standard CDBG regulations
CDBG-DR History

- Congress first appropriated funds to CDBG for long-term disaster recovery in 1992
- From the mid-1990s to 2004, HUD’s CDBG-DR responsibilities were supported with existing staff
- In 2006, the Disaster Recovery and Special Issues Division (DRSI) was established to cover the growing amount of DR grant awards
Appropriations > CDBG-DR Award

Congress

Approves appropriation

HUD

1. Calculates & announces allocations
2. Publishes a Notice in the Federal Register (FR)
3. Awards funds

Grantee

1. Prepares Action Plan
2. Administers its own programs and activities or works with another entity to distribute funds
Key Grantee Steps

- Conduct a needs assessment to determine the critical unmet needs for long-term disaster recovery
- Draft and submit a disaster recovery Action Plan to HUD within required number of days of the effective date of the Notice
- HUD reviews Action Plan within 45-60 days
- Access allocated CDBG-DR funds after HUD approves Action Plan and grant agreement is executed
- Receive and respond to monitoring reviews conducted by HUD and OIG
- Submit Quarterly Performance Reports and update Action Plan as needed
Management of CDBG-DR

- As of July 2015, a total of 51 active CDBG-DR grantees, including 29 states and 23 local governments
- Total funding allocated: $44B
- HUD HQ oversees larger awards
  - Greater than $500 million (i.e. FL, IA, LA, MS, NJ, NYC, NYS, and TX)
- Smaller grants overseen by HUD CPD Field Office
- CDBG-DR allocations to grantees are based on damage estimates and assessments of unmet disaster recovery needs
Disaster Declarations

Major Disaster Declarations (2000-2014)
Funding Overview

Funding appropriated to CDBG-DR since FY2001:
III. CDBG-DR Activities
Requirements for Each Activity

- Be CDBG-eligible (or receive a waiver)
- Meet a CDBG National Objective
- Address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration and cited in the Notice
- Funds must be used for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization
CDBG Eligibility

- The HCD Act and CDBG regulations (24 CFR part 570) permit grantees to undertake a wide range of activities to address housing, infrastructure, economic development and/or planning needs.
- Notices provides additional flexibility (e.g., new housing construction).
CDBG National Objectives

- Each activity (except those for administration or planning) must:
  - Benefit low- and moderate-income persons,
  - Aid in the prevention or elimination of slums or blight, or
  - Meet a need having a particular urgency (urgent need)*

*See the Notice for alternative requirements applying to the use of the urgent need national objective.
Documenting “Impact”

- The grantee must document how an activity is addressing a disaster-related impact—i.e., how does the activity restore housing or infrastructure, or revitalize the economy?
- Documentation could include damage or building estimates for physical losses, or post-disaster analyses or assessments for economic or non-physical losses.
IV. Waivers/Alternative Requirement
Waivers/Alternative Requirements

- Appropriations provide authority to adopt, modify, and/or waive standard CDBG regulations.
- Most common waivers/alt. req. included in 1st FR Notice published following appropriations act.
- Additional waivers/alt. req. upon grantee request, must be published in FR Notice to be effective.
- Waivers/alt. req. should assist a grantee to address specific needs related to its recovery activities.
Waivers/Alternative Requirements

- ‘Good cause’ exists
- Must not be inconsistent with overall purpose of HCD Act
- Cannot conflict with cross-cutting requirements that the Secretary may not waive
What to include in your request:

- CDBG requirement for which the grantee is seeking a waiver or alternative requirement
- Summary of unmet recovery need that waiver or alternative requirement will assist grantee to meet, including documentation supporting the need and the consequences for the grantee’s recovery if the waiver or alternative requirement is not be approved.
Examples of supporting documentation:

- **Tourism industry assistance**: data documenting the decline in tourism revenue in disaster-impacted communities

- **Tenant-based rental assistance**: documentation of unmet housing needs of vulnerable populations until rehabilitation of or construction of affordable rental units is completed
Steps in waiver/alt. req. process:

- **Coordination with HUD partners** on specific types of waivers/alt. req.
  - *Example*: Coordination with Relocation Specialist for Section 414 of Stafford Act/URA-related waivers

- **Coordination with other federal partners** when related to certain pivotal requirements
  - *Example*: Waiver of Overall Benefit Requirement
Hurricanes Katrina, Rita and Wilma caused massive devastation in the Gulf Coast region between August 29 and October 24, 2005

$19.7 billion for CDBG-DR to the most affected states - Louisiana, Mississippi, Alabama, Florida, and Texas

This appropriation is the largest amount of CDBG disaster relief provided to one area in the history of the program

Compensation waiver – Louisiana and Mississippi only
CDBG-DR Activities

CDBG-DR Activity Categories % of Total Budgeted ($19.65B)
Recovery Status

- Almost 10 years after Hurricanes Katrina, Rita and Wilma hit - the States have spent almost 94% of the total appropriation
- Alabama has expended 100% of their allocation and have completed the grant closeout process
- Texas is nearing 100% expenditure and grant closeout

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Allocation Amount</th>
<th>Funds Disbursed</th>
<th>% of Allocation Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$95,600,000</td>
<td>$95,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>Texas</td>
<td>$503,000,000</td>
<td>$499,000,000,000</td>
<td>99.2%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$13,400,000,000</td>
<td>$12,800,000,000</td>
<td>95.6%</td>
</tr>
<tr>
<td>Florida</td>
<td>$184,500,000</td>
<td>$169,000,000</td>
<td>92.4%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$5,500,000,000</td>
<td>$4,900,000,000</td>
<td>88.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$19,700,000,000</td>
<td>$18,500,000,000</td>
<td>93.8%</td>
</tr>
</tbody>
</table>
Activities & Accomplishments

- **$2.5 Billion invested in housing activities to assist:**
  - 12,660 rehabilitated/reconstructed housing units
  - 767 newly constructed housing units
  - 2,894 households with homeownership assistance funds
  - 35,597 affordable rental housing units

- **$1.6 Billion invested in infrastructure activities**
  - Infrastructure activities refer to construction/reconstruction of streets, utilities, water lift stations, sewer lines, public improvement, dikes and dams

- **$757 Million invested in economic development, recovery and tourism activities:**
  - Assisting 5,472 businesses
  - Creating 6,490 permanent jobs
Highlights

- Midwest Floods (MWF) - $300 million
- Hurricanes Gustav & Ike - $6.4 billion
  - $377 million rescinded
  - $311 million set-aside for the Disaster Recovery Enhancement Fund
- 23 State grantees
The Disaster Recovery Enhancement Fund (DREF) is a $311,602,923 set-aside under P.L. 110-329.

Available to grantees that demonstrated additional eligible, unmet disaster recovery needs, and plans to undertake certain types of activities.

DREF was precursor to drive for resiliency.
CDBG-DR Activities

CDBG-DR Activity Categories % of Total Budgeted ($6.26B)

- Housing 35%
- Economic Development and Tourism 6%
- Clearance/Demolition and Debris Removal 1%
- Compensation 0.05%
- Economic Development and Tourism 6%
- Public Facilities and Buildings for General Conduct of Government 13%
- Administration 4%
- Planning 2%
- Capacity building for nonprofit/public entities 0.43%
- Buyout 4%
- Acquisition/Disposition 1%
## Recovery Status

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Allocation Amount</th>
<th>Funds Disbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine</td>
<td>$2,187,114</td>
<td>$2,187,114</td>
<td>100%</td>
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<tr>
<td>Montana</td>
<td>$666,666</td>
<td>$666,666</td>
<td>100%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$1,793,876</td>
<td>$1,793,876</td>
<td>100%</td>
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<tr>
<td>South Dakota</td>
<td>$1,987,271</td>
<td>$1,987,271</td>
<td>100%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$5,557,736</td>
<td>$5,552,880</td>
<td>99.9%</td>
</tr>
<tr>
<td>Colorado</td>
<td>$589,651</td>
<td>$588,657</td>
<td>99.8%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$3,127,935</td>
<td>$3,118,745</td>
<td>99.7%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$139,584,277</td>
<td>$126,256,706</td>
<td>90.5%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$3,717,686</td>
<td>$3,340,035</td>
<td>89.8%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$925,926</td>
<td>$789,272</td>
<td>85.2%</td>
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<td>Arkansas</td>
<td>$95,223,399</td>
<td>$79,813,747</td>
<td>83.8%</td>
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<tr>
<td>Florida</td>
<td>$107,958,038</td>
<td>$90,399,278</td>
<td>83.7%</td>
</tr>
<tr>
<td>Indiana</td>
<td>$439,559,497</td>
<td>$365,135,263</td>
<td>83.1%</td>
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<td>Georgia</td>
<td>$5,210,779</td>
<td>$4,248,449</td>
<td>81.5%</td>
</tr>
<tr>
<td>Iowa</td>
<td>$890,869,466</td>
<td>$704,666,775</td>
<td>79.1%</td>
</tr>
<tr>
<td>Illinois</td>
<td>$211,041,438</td>
<td>$161,514,907</td>
<td>76.5%</td>
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<td>Mississippi</td>
<td>$14,003,403</td>
<td>$10,607,177</td>
<td>75.7%</td>
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<tr>
<td>Missouri</td>
<td>$108,637,928</td>
<td>$76,120,191</td>
<td>70.1%</td>
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<tr>
<td>Louisiana</td>
<td>$1,093,212,571</td>
<td>$675,001,819</td>
<td>61.7%</td>
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<td>Tennessee</td>
<td>$92,517,890</td>
<td>$53,361,059</td>
<td>57.7%</td>
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<tr>
<td>Texas</td>
<td>$3,113,472,856</td>
<td>$1,671,336,677</td>
<td>53.7%</td>
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<tr>
<td>Puerto Rico</td>
<td>$29,982,887</td>
<td>$15,569,100</td>
<td>52%</td>
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<tr>
<td>California</td>
<td>$54,531,784</td>
<td>$20,618,283</td>
<td>37.8%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$6,416,360,074</strong></td>
<td><strong>$4,074,673,947</strong></td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>

Source: DRGR, Analysis of MWF & Gustav/Ike grants only, Q1/2015
2011-2013 Disaster Grantee Allocations

- $15.18 for CDBG-DR (Currently 34 grantees)
  - For the “most impacted and distressed” communities that suffered a Presidentially-declared disaster in 2011, 2012, or 2013

- Total Allocations:
  - $13 Billion to Sandy Grantees
  - $1.1 Billion to other 2011, 2012 & 2013 Disaster Grantees
  - $1 Billion to National Disaster Resilience Competition
Highlights

Emphasis on forward looking planning and resilience against future risks

- Hurricane Sandy Task Force and Rebuilding Strategy
- Rebuild by Design
- National Disaster Resilience Competition
Highlights

- 2 year time limit on funds once obligated (partial obligations until September 2017)
- Eligibility of Pre-award expenses
- Public Housing Authority set aside and PHA consultation requirements
- Small Business/Private Utility provisions
Grantees may adopt another Federal agency’s environmental review, approval, or permit

Advisory Base Flood Elevation + 1

HUD approval of major infrastructure or “covered” projects

Comprehensive risk analysis & resilience performance standards

Green Building and Green Infrastructure Requirements
# Rebuild by Design

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Proposal</th>
<th>Location</th>
<th>RBD CDBG-DR Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey</td>
<td>New Meadowlands</td>
<td>Meadowlands</td>
<td>$150,000,000</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Resist, Delay, Store, Discharge</td>
<td>Weehawken/Hoboken/Jersey City</td>
<td>$230,000,000</td>
</tr>
<tr>
<td>New York State</td>
<td>Living with the Bay</td>
<td>Nassau County</td>
<td>$125,000,000</td>
</tr>
<tr>
<td>New York State</td>
<td>Living Breakwaters</td>
<td>Staten Island</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>New York City</td>
<td>The Big U</td>
<td>Manhattan/Lower East Side</td>
<td>$335,000,000</td>
</tr>
<tr>
<td>New York City</td>
<td>Hunts Point Lifelines</td>
<td>South Bronx/Hunts Point</td>
<td>$20,000,000</td>
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<tr>
<td>Connecticut</td>
<td>Resilient Bridgeport</td>
<td>Bridgeport</td>
<td>$10,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$930,000,000</strong></td>
</tr>
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</table>
CDBG-DR Activities

Public Law 113-2
Top 10 Activity Categories of
$3.75B in CDBG-DR Funds Budgeted by 32 grantees
as of 3/19/15

- Debris removal: 2%
- Planning: 3%
- Rehab/recon of public facilities: 4%
- Affordable Rental Housing: 5%
- Administration: 5%
- Residential Location Incentive Grants - (Waiver only): 5%
- Econ. Development: 6%
- Acquisition - buyout of residential properties: 8%
- Public services: 10%
- Other: 11%
- Rehab/recon of residential structures: 41%
# Recovery Status

<table>
<thead>
<tr>
<th>Disaster Grantees</th>
<th>Allocation Amount</th>
<th>Funds Disbursed</th>
<th>% Disbursed</th>
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</thead>
<tbody>
<tr>
<td>Sandy</td>
<td>$13,013,017,000</td>
<td>$3,197,836,449</td>
<td>25%</td>
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<tr>
<td>2011-2012</td>
<td>$514,012,000</td>
<td>$86,934,656</td>
<td>17%</td>
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<tr>
<td>2013</td>
<td>$654,863,000</td>
<td>$11,342,201</td>
<td>2%</td>
</tr>
<tr>
<td>All 113-2</td>
<td>$14,181,892,000</td>
<td>$3,296,113,306</td>
<td>23%</td>
</tr>
<tr>
<td>All 113-2</td>
<td>$14,181,892,000</td>
<td>$3,296,113,306</td>
<td>23%</td>
</tr>
</tbody>
</table>
Resources

- CDBG-DR Website at HUD Exchange
- 24 CFR 570 and HCD Act (including searchable eCFR)
- Guides to National Objectives and Eligible Activities
- “Basically CDBG” presentations
- Relevant supplemental appropriations law(s)
- Relevant Federal Register Notice(s)
Thank you!
Welcome & Speakers

Session Objectives

- Explain key rules and requirements necessary for managing and implementing a CDBG-DR program
- Share program tips, best practices and lessons learned
CDBG-DR program overview

Key steps in the CDBG-DR process

- Action Plan, Amendments and Waivers
- Program Implementation
- Financial Management
- Reporting & Monitoring
- Close Out
CDBG-DR BASICS:
Key Steps for Management and Implementation
CDBG-DR Program Overview

- Provided as a special appropriation by Congress to states, cities, and counties to assist with long term recovery following a Presidentially-declared disaster
- Flexible program that allows grantees to deploy funding to carry out a wide range of recovery activities
- Prioritizes low- and moderate- income (LMI) persons and geographies
CDBG-DR Funding Process

Congress
- Approves appropriation

HUD
1. Calculates & announces allocations
2. Publishes a Notice in the Federal Register (FR)
3. Awards funds

Grantee
1. Prepares Action Plan
2. Administers its own programs and activities or works with another entity to distribute funds
CDBG-DR Grants

- As of August 2017, 59 active CDBG-DR grantees and 113 active grants
- Total funding allocated: $47.7 billion (including P.L.115-31 allocation)
- HUD HQ oversees large grants
  - ≥ $500 million (i.e. FL, IA, LA, MS, NJ, NY, NYC, Lower Manhattan Development Corporation & TX)
- All other grants overseen by HUD CPD Field Offices
- Amount of CDBG-DR funding is based on damage estimates and unmet disaster recovery needs
CDBG-DR Program Steps

1. CDBG-DR allocation to state or locality
2. Unmet needs analysis, action plan, certifications, & grant agreement
3. Policies, procedures & organizational plans
4. Community engagement & information sharing
5. Project set-up in DRGR
6. Unmet needs analysis, duplication of benefits & underwriting
7. Environmental review
8. Project/sub recipient application or procurement
9. Construction or delivery to beneficiaries
10. DRGR draws & financial management
11. Subrecipient Monitoring
12. QPR reporting & data quality assurance
13. CDBG-DR grant close-out
14. Monitoring & compliance, including fraud prevention
15. Project close-out
Action Plan Development and Assessment

- Assessment – Evaluate impacts to three core aspects of recovery using the best available data:
  - Housing
  - Infrastructure
  - Economic revitalization

- Develop the plan and identify programs/activities using unmet needs and citizen participation to guide the distribution of funds

- Submit to HUD for approval

- Implement the programs as identified in the distribution of funds

- Continue to assess the progress of the plan and amend the plan as needed
Other Cross-Cutting Federal Requirements

- CDBG-DR funding must comply with all other Federal Regulations
- The cross cutting regulations must be addressed in the Action Plan and implemented throughout the grant process

- Environmental Review
- Flood Insurance
- Labor Standards
- Section 3
- FFATA
- Procurement
- Lead Based Paint
- Fair Housing
- Relocation (URA) and Acquisition
- Accessibility
- Equal Opportunity
Waiver Requests

Identify areas that may need a waiver from HUD

The written request for a waiver:

- Must show that ‘Good cause’ for the waiver exists
- Must not be inconsistent with overall purpose of HCD Act
- Cannot conflict with these cross-cutting requirements that the Secretary may not waive:
  - Discrimination
  - Fair Housing
  - Environmental Review
  - Labor Standards
Action Plan Amendments

Action Plans are living documents, and should be amended as often as necessary to address evolving recovery needs.

Two Types of Amendments (must be defined in the Action Plan):

- Substantial Amendments
- Non-substantial Amendments
Program Implementation
How to implement your CDBG-DR grant
Implementation

Grantees generally administer funding in one or a combination of the following ways:

▪ Direct implementation model: grantee implements program directly
▪ Partner model: grantee provides funding to partners such as other agencies, subrecipients or contractors to implement
▪ Method of distribution model: Provide funding to Units of Local Government (UGLG) to carry out projects

Grantee should assess its own and partners’ capacity to implement its CDBG-DR program and activities

For all programs, grantees or its partners must develop detailed policies and procedures necessary to implement the activities outlined in the Action Plan
Eligible Activities

Eligible activities generally fall into one of the following categories:

- Housing
- Restoration of infrastructure
- Economic revitalization
- Administration and Planning

May be used as matching requirement for other Federal program to carry out a CDBG-DR eligible activity

- Examples:
  - Rehab of damaged properties
  - Street repairs
  - Housing Resettlement Incentives
  - Debris removal
Direct Program/Activity Delivery/Administrative Costs

**Direct development costs** – actual costs to acquire, rehabilitate or construct projects

**Activity delivery costs** – costs incurred by grantees or subrecipients to facilitate the development of specific projects (e.g. environmental review, work write up, applicant selection), can include soft costs tied to specific project

**Program administrative costs** - cost that grantee or subrecipient must incur to administer or manage overall CDBG-DR program (e.g. planning, monitoring, financial management, reporting)
Documenting Tie to the Disaster

ALL CDBG-DR activities must be tied to the disaster(s) covered by the appropriation

There are various ways to document how the proposed activity ties to the disaster event such as:

- Beneficiary’s home suffered damage from the disaster;
- Funded project will help to economically revitalize an impacted community; or
- Applicant community suffered impact from disaster

As time goes by, documenting tie to the disaster event may become increasingly challenging
Meeting a National Objective

All CDBG-DR eligible activities must meet one of the following three national objectives (except for planning and administration):

- Benefit to low- and moderate-income (LMI) persons
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency (referred to as urgent need)
NATIONAL OBJECTIVES

LOW/MOD
- Area Benefit
- Limited Clientele
- Housing
- Jobs

SLUM/BLIGHT
- Area Basis
- Spot Basis
- Urban Renewal

URGENT NEED
LMI Overall Benefit

HCDA requires that 70% of all CDBG expenditures benefit LMI persons

- Newest CDBG-DR allocations maintain this requirement
- In the past, CDBG-DR has lowered the requirement to 50%

LMI targeting is determined, documented, and reported via the national objective used to qualify each project
Duplication of Benefits (DOB)

Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act

Necessary and reasonable requirements (24 CFR part 570 and Uniform Requirements at 2 CFR part 200)

CDBG-DR Appropriations Acts and HUD Federal Register Notices

Disaster assistance covered under DOB includes private sources (charitable donations, insurance proceeds, volunteer work, and grants) and funds from public agencies (FEMA, SBA, etc..)
Duplication of Benefits (continued)

HUD issued DOB Notice: 76 FR 71060

Assistance is duplicative when two sources exceed need for the same recovery item:

▪ If beneficiary receives duplicated assistance, grantee providing assistance must recover any duplicative assistance provided
▪ Assistance is NOT duplicative when two sources contribute to the same need and total assistance did not exceed the total need
▪ Can combine different forms of assistance to meet recovery needs
Duplication of Benefits (continued)

Governments are also subject to DOB requirements
The amount of the duplication is the amount of assistance provided in excess of need

- Ex. Mr. Brown’s home was damaged by a tornado
  - Estimated cost to repair is 100k
  - Mr. Brown receives 150k ($25K from insurance, $25K from FEMA, and $100K from CDBG-DR)
  - DOB amount is the last $50K of CBDG-DR funds
Calculation of Award

- Subtract all assistance found to be duplicative from identified need; reduce award if program cap in place
- Basic framework:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Identify Applicant’s Total Need</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>2.</td>
<td>Identify All Assistance Received</td>
<td>$ 35,000</td>
</tr>
<tr>
<td>3.</td>
<td>Deduct Assistance Determined to be Duplicative</td>
<td>$ 30,000</td>
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<tr>
<td>4.</td>
<td>Maximum Eligible Award (Item 1 less Item 3)</td>
<td>$ 70,000</td>
</tr>
<tr>
<td>5.</td>
<td>Program Cap (if applicable)</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>6.</td>
<td>Final Award (lesser of Items 4 and 5)</td>
<td>$ 50,000</td>
</tr>
</tbody>
</table>
Recapture

- Federal Agency that provides the funds responsible for recapture. For HUD, means CBDG-DR grantees
- DOB policies and procedures should address recapture
- To ensure recapture, a subrogation agreement or similar agreement must be signed by every applicant prior to the receipt of assistance
- Consider level of Risk (likelihood of DOB) when designing program policies
  - **Higher Risk**: Awarding CDBG-DR funds when future assistance is nearly certain but amount is uncertain
  - **Medium Risk**: Awarding CDBG-DR funds in installments, with final payment issued after DOB analysis is complete
  - **Low Risk**: Award CDBG-DR funds only after DOB analysis is complete
Duplication of Benefits (continued)

- OMB Cost Principles – Necessary and Reasonable
  - OMB Cost Principles
    - Necessary – not defined in 2 CFR part 200. Is it eligible? For a permissible recovery purpose?
    - Reasonable – a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
      - Other factors related to the reasonableness of the cost are described in 2 CFR part 200
  - SBA Loans: presumption that use of CDBG funds to pay down SBA loans is not necessary or reasonable
Critical information

When reviewing activities, HUD expects to see:

- Description of DOB (likely in application)
- Identification of applicant’s unmet need
- Signed privacy waiver
- Identification of sources of assistance provided to applicant
- Verification of FEMA and insurance proceeds (e.g., FEMA award letter, insurance letter)
- Verification of SBA or other proceeds (e.g., SBA data feed)
- CDBG-DR award calculation
- Signed subrogation agreement (or similar agreement to recapture funds if necessary)
Financial Management

Financial Dos and Don’ts
Financial Management

Grantees and their sub recipients must comply with all OMB requirements at 2 CFR 200 including:

- Financial and internal controls
- Procurement
- Independent Cost Estimates
- Accounting procedures
- Cost principals and audit requirements
- Timely expenditure of funds including program income
- Performance measures
- Written agreements

HUD requires grantees to prepare financial forecasts by programs to project expenditures and measure progress.
Reporting & Monitoring
Tracking grant progress
Disaster Recovery Grant Reporting (DRGR) system is used for CDBG-DR
Most program reporting rules applicable under regular CDBG apply to CDBG-DR
In DRGR, grantees:
  • Access their line of credit
  • Enter action plans and amendments
  • Report on progress quarterly
Must retain all records for 3 years following grant closeout
Quarterly Progress Reports (QPR)

QPRs are a tool that allows the grantee, HUD, and Congress to track performance on individual activities. Grantees update QPR’s with the following information:

- Activity Progress
- Expenditures
- Actual accomplishments by performance measure
- Beneficiary data
- And more…
Monitoring

Everyone in the process gets monitored:
- HUD monitors the grantee
- Grantee monitors:
  - Grantee’s own files
  - Public agency partners
  - Sub recipients
  - For profit contractors and beneficiaries

Monitoring includes:
- Desk reviews (reports, documentation)
- On-site visits (review of files, staff interviews, etc.)

Grantees must also provide TA to partners and sub recipients
- This will help reduce monitoring Findings and Concerns
Typical steps in the process:

- Develop an annual monitoring plan
  - Plan type and frequency should be based on risk assessment
  - The most recent allocations of CDBG-DR funds, require grantees to record monitoring and TA events in DRGR

- Conduct periodic desk reviews

- Conduct on-site assessments:
  - Entrance meeting
  - Review of files/other documents
  - Exit meeting/interview
  - Review letter & follow-up actions
Monitoring (continued)

What should be monitored:
- Program benefit, including eligible activities, national objective, and tie-back to the disaster
- Environmental
- Financial
- Procurement
- Labor
- Relocation & acquisition
- FHEO/504/section 3
- Citizen participation/certifications
- Program management
- Program progress & reporting
Grantees must complete the following prior to close-out:

- **DRGR:**
  - All CDBG-DR funds are drawn under the correct activity
  - Activity types, national objectives, and accomplishments are accurately reported
  - Final QPR is submitted to HUD

- All grant and subrecipient agreements are closed
- All outstanding monitoring findings have been resolved
- A closeout agreement has been prepared
Resources

CDBG-DR Website at HUD Exchange:
- https://www.hudexchange.info/programs/cdbg-dr/

24 CFR 570:
- http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570_main_02.tpl

HCD Act:

Toolkits:
- https://www.hudexchange.info/programs/cdbg-dr/toolkits/

Mapping Tool:
- https://www.hudexchange.info/programs/consolidated-plan/
- Under CPD Maps on far right-hand side
Guide to National Objectives and Eligible Activities:


“Basically CDBG” presentations

- **States**: https://www.hudexchange.info/resource/269/basically-cdbg-for-states/
- **Entitlements**: https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/

Relevant supplemental appropriations law(s)
Relevant Federal Register Notice(s)
Questions?
Goal for today:

- To gain a broad understanding of the CDBG-DR eligible activities that grantees may undertake under the Disaster Relief Appropriation Act, 2013 (Public Law 113-2) and other supplemental CDBG-DR appropriations.
Overview

“Tie Back to the Disaster” Requirement
Planning and Admin
Housing Activities
Preparedness and Mitigation
Infrastructure Activities
Economic Revitalization Activities
Review of each National Objective
Tie Back to the Disaster Requirement

All CDBG-DR activities must clearly address an impact of the disaster. This means a CDBG-DR eligible activity must:

Meet a national objective:

▪ Activities Benefitting Low/Moderate Income Persons
▪ Prevention/Elimination of Slums or Blight
▪ Urgent Need

Address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration, and

Be located in a most impacted and distressed county as identified in the applicable Federal Register Notice.
CDBG DISASTER RECOVERY
ELIGIBLE ACTIVITIES AND
NATIONAL OBJECTIVES

DEO
FLORIDA DEPARTMENT OF
ECONOMIC OPPORTUNITY
Tie Back to the Disaster Requirement

How This Requirement Can Be Shown

For physical losses

- Damage or insurance estimates (the most effective tool)

For economic or other non-physical losses

- Post-disaster analyses or assessments (documenting relationship between loss and disaster)
Tie Back to the Disaster Requirement

Unmet Need Arising from a Previous Disaster

- Funds may be used to address an unmet need that arose from a previous disaster, which was exacerbated by a disaster cited in the applicable Federal Register Notice.

- If an impact or need originating from a disaster identified in the Federal Register Notice is subsequently exacerbated by a future disaster, funds may also be used to address the resulting exacerbated unmet need.
Housing Activities

Typical Housing Activities

- New construction and rehabilitation
  - Single family or multifamily units (including garden apartments, condominiums, and housing cooperative units).
- Most often, grantees use CDBG-DR funds to rehabilitate damaged homeowner and rental units.
Housing Activities Not Damaged By the Disaster

- Grantees may fund new construction or rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster-related impact and is located in a disaster-affected area.

- Disaster-related impact effects
  - Quality,
  - Quantity, and
  - Affordability of the housing stock

- Disaster-related impact results in the inability of the existing stock to meet post-disaster needs and population demands.
Reimbursement of Pre-award Costs to homeowners

- Grantees may charge eligible pre-award and pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, only if the incurred expenses were within one year after the date of the disaster and before the date on which they applied for CDBG-DR assistance.
  - For example, a person who incurred eligible expenses for rehabilitation in the wake of Hurricane Sandy (October 29, 2012), may be eligible to receive CDBG-DR assistance for costs incurred up until October 29, 2013. However, if that person or private entity applied to a grantee’s CDBG-DR program on July 4, 2013, then only expenses incurred before July 4, 2013, would be eligible for reimbursement.
Preparedness and Mitigation

Advantages of Preparedness and Mitigation (as a component of an eligible activity)

- Preparedness and mitigation measures for rebuilding activities helps to ensure that communities recover to be safer, stronger, and more resilient.
- Preparedness and mitigation measures also reduce costs in recovering from future disasters.
- Mitigation measures must be a necessary expense related to the disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization.
Infrastructure Activities

- Repairing, replacing, or relocating damaged public facilities
- Typical activities include the rehabilitation of schools, health care centers, water or wastewater facilities, drainage improvements, etc.
Infrastructure Activities

- Usually the FEMA Match program falls under Infrastructure activities
  - FEMA Match in and of itself is NOT an eligible activity
- Grantees using CDBG-DR funds for FEMA Match must still demonstrate that those funds are being used for an eligible activity that meets a national objective
Wide Range of Economic Revitalization Activities

- Activities not limited to “special economic development” activities under the HCD Act or to activities that create or retain jobs.
- Economic revitalization can include any activity that demonstrably restores and improves the local or regional economy, such as addressing job losses.
Examples of Economic Revitalization Activities

- Providing loans and grants to businesses,
- Funding job training,
- Building education facilities to teach technical skills,
- Making improvements to commercial/retail districts, and
- Financing other efforts that attract/retain workers in devastated communities.
Grantee Requirements

- For direct assistance to a business, funds may only be provided to a small business, as defined at 15 U.S.C. 632(a) OR a business that the grantee can demonstrate that funding is both reasonable and critical to long-term recovery.

- Must address an economic impact caused by the disaster (e.g., loss of jobs).

- As part of its needs assessment and Action Plan, the grantee must clearly identify economic loss or need resulting from the disaster, and how proposed activities will address the expressed loss/need.
Examples of Eligible Activities

What eligible activity types do these projects fall under?

▪ Constructing new housing for residents located in a floodplain;
▪ Buying severely damaged structures and relocating the affected household or business out of harm’s way;
▪ Debris removal (not covered by another source, such as FEMA);
▪ Rehabilitation of homes or buildings damaged by the disaster;
▪ Constructing or rehabilitating public facilities or improvements (e.g., streets, neighborhood centers, and water/sewer/drainage systems);
▪ Code enforcement;
▪ Homeownership assistance (e.g., down payment assistance, interest rate subsidies, and loan guarantees);
▪ Public services;
▪ Helping businesses retain or create jobs; and
▪ Planning and administration activities.
National Objectives

Each activity (except those for administration or planning) must:

- Benefit low- and moderate-income persons,
- Aid in the prevention or elimination of slums or blight, or
- Meet a need having a particular urgency

Reg cite §570.208, 570.480
LMI National Objectives

NATIONAL OBJECTIVES

LOW/MOD
- Area Benefit
- Limited Clientele
- Housing
- Jobs

SLUM/BLIGHT
- Area Basis
- Spot Basis
- Urban Renewal

URGENT NEED
LMI Area Benefit

Activities that benefit all residents of an area
Must determine service area of activity
  - Based on reasonable assumptions as to who would access the facility, service, etc.
Area must be primarily residential
LMI Limited Clientele

Activities that benefit specific populations

Options for meeting limited clientele:

- 51% of participants are documented as LMI
- Participation limited to LMI only
- Presumed benefit clientele
  - Activity must exclusively serve: elderly, severely disabled adults, homeless persons, illiterate adults, migrant farm workers, abused children, persons with AIDS or battered spouses
- Nature and location indicate low/mod benefit
LMI Housing

This is the only L/M national objective for housing activities.
To meet the housing national objective, structures must be occupied by low/mod households.

Documented based on unit occupancy:
- One unit structures occupied by LMI
- One unit of duplex occupied by LMI
- 51% of 3+ units LMI occupied by LMI
LMI Jobs Creation/Retention

Activities related to economic opportunity

- In order to meet this criteria, activities must create or retain permanent jobs; AND
- 51% of the jobs created/retained must be available to or held by LMI persons
  - Jobs counted on full time equivalent (FTE) basis
LMI Overall Benefit

Statute requires that 70% of all CDBG expenditures benefit low/mod persons

- Cumulative actual expenditures, not budgeted

Federal Register notice governing 113-2 funds waived this requirement and reduced the overall benefit to 50%

- Grantees may request to decrease this percentage even further
Slum and Blight National Objectives

NATIONAL OBJECTIVES

LOW/MOD
- Area Benefit
- Limited Clientele
- Housing
- Jobs

SLUM/BLIGHT
- Area Basis
- Spot Basis
- Urban Renewal

URGENT NEED
Slum and Blight Area

Activities designed to address dilapidated physical environment

- Not based on income of residents

Typical activities: code enforcement, infrastructure, commercial rehabilitation

Must be defined area & meet definition of slum/blighted area under state/local law AND
Slum and Blight Area

Meet either (A) or (B) below:

- (A) The public improvements in the area are in a general state of deterioration, OR

- (B) At least 25% of properties throughout the area experience 1 or more of the following conditions:
  - Physical deterioration of buildings or improvements
  - Abandonment of properties;
  - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial/industrial buildings;
  - Significant declines in property values or abnormally low property values relative to other areas in community; or
  - Known or suspected environmental contamination.
Activities that address specific conditions of blight, physical decay or environmental contamination not in slum/blight area

Activities limited: acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, or building rehab

- Acquisition and relocation must be precursor to another eligible activity that addresses slum/blighted conditions
- Rehab limited to elimination of conditions detrimental to public health & safety
Urgent Need

Used to address emergency situations
To meet the urgent need test:

▪ Existing conditions pose serious and immediate threat to health/welfare of community
▪ Existing conditions are recent or recently became urgent
  – Generally 18 months
▪ Recipient cannot finance on its own
▪ Other funding sources not available
Certification requirements for documentation of urgent need, located at 24 CFR 570.208(c) and 24 CFR 570.483(d), are waived for 113-2 grantees until 2 years after the date HUD obligates funds to a grantee for the activity.

Instead, each grantee receiving a direct award under 113-2 must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee.

- Grantees must reference in their Action Plan the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing.
Questions?
Who Is This Guy?

- Provided direct assistance in setup of Texas (2008) and New Jersey (Sandy) disaster recovery efforts
- Led or Participated in Over 40 Monitoring Visits
- Issued over 20 Findings, approximately 50 Concerns, and 4 Best Practices
- Authored the State CDBG Admin Proposed Rule and co-authored several Federal Register Notices
- Hates Pandas
4 Keys to Effective Grant Administration

- Assessing Capacity of Your Organization and Your Partners’ Capacity
- Partnering with Competent Subs/Contractors
- Consistent Monitoring
- Sound Financial Controls and Procedures

Remember: Any Practitioner Can Succeed!!*

*Disclaimer: Actual Results May Vary.
Capacity
Assessing Capacity

- Grant Management History
  - Monitoring Reports
  - OIG Audits
  - 2 CFR 200 Subpart F

- Staffing
  - New or Experienced?
  - High Turnover?
Assessing Capacity

- Financial and Tracking Systems
- Contractor Oversight
- Final Assessment—Hire Internally or Contract Out?
Partnering: Pick Your Poison

What is a Subrecipient?

- Public or private nonprofit agency, authority or organization, or community-based development organization, receiving CDBG funds from the recipient to undertake CDBG eligible activities (see 24 CFR 570.500(c))

RULE OF THUMB

The procurement process is more rigorous for CONTRACTORS, while the administrative and monitoring requirements are greater for SUBRECIPIENTS.
<table>
<thead>
<tr>
<th>Subrecipient</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selection</strong></td>
<td>• Must be selected through a competitive procurement process.</td>
</tr>
<tr>
<td></td>
<td>– States: 24 CFR 570.489(g)</td>
</tr>
<tr>
<td></td>
<td>– Entitlements: 24 CFR Part 85.36</td>
</tr>
<tr>
<td><strong>Monitoring &amp; Performance</strong></td>
<td>• Federal administrative and monitoring requirements</td>
</tr>
<tr>
<td></td>
<td>– States: 24 CFR 570.492</td>
</tr>
<tr>
<td></td>
<td>– Entitlements: Part 84 &amp; 85</td>
</tr>
<tr>
<td><strong>Cross-Cutting Requirements</strong></td>
<td>• Subject to Requirements</td>
</tr>
<tr>
<td></td>
<td>• Subject to Requirements</td>
</tr>
</tbody>
</table>

The table outlines the differences between Subrecipient and Contractor roles in terms of selection, monitoring & performance, and cross-cutting requirements.
Monitoring
Meat & Potatoes

- Eligibility of activities and beneficiaries
- National Objectives
- Tie to Disaster
- Prevention of duplication of benefits from FEMA, SBA, Insurance, and other sources
What HUD Looks For When Monitoring...
The Five Habits of Highly Effective Subrecipient Monitoring™

- Risk Assessment
- Frequency
- Thoroughness
- Evidence to Support Conclusions
- Tracking Method
Risk Assessment Factors

Financial Management

- Size of Grant
- Meeting Overall Benefit
- Under Public Service Cap
- Generating Program Income
- Use of Revolving Loan Funds
Risk Assessment Factors

Management

- Staff Turnover
- Open Findings (HUD and OIG)
- Use of Subrecipients
- Timeliness of Expenditure
Risk Assessment Factors

- Satisfaction
  - (Citizen Complaints)

- Services
  - Cross-Cutting Issues, Complexity of Programs
### Rating and Ranking

1. **Rate Each Subrecipient / Subgrantee**
   CITY OF ALTO

<table>
<thead>
<tr>
<th>Factor</th>
<th>Maximum Score</th>
<th>Points Assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial</td>
<td>47</td>
<td>16</td>
</tr>
<tr>
<td>2. Management</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>3. Satisfaction</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>4. Services</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>33</strong></td>
</tr>
</tbody>
</table>
2. Rank Subrecipients by Risk Level

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Total Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alto</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td>Wells</td>
<td>67</td>
<td>1</td>
</tr>
<tr>
<td>Lufkin</td>
<td>55</td>
<td>2</td>
</tr>
</tbody>
</table>

3. Use Ranking to Develop Monitoring Schedule
Sanctions

- States: 24 CFR 570.495
- Entitlements: 24 CFR 570.910
- May Include (not exhaustive list):
  - Advise the Grantee not to do it again
  - Advise grantee to suspend or terminate payment
  - Make Grantee repay funds out of general revenue
  - It only gets worse…
HUD encourages grantees to review the CPD Monitoring Handbook posted on HUD’s website to understand what HUD reviews during grantee monitoring visits.

Preparing for HUD…

- Pre-Monitoring
- Uniform Recordkeeping System and Files
- Send a (knowledgeable) representative from the lead agency
- Make Us a Partner, Not an Adversary
- Debate Us in Our Language, Not Yours
- Don’t take it personally
Effective Grant Administration

Questions?
CDBG-DR ACTION PLAN

Needs Assessment, Initial Development, and Reassessing Needs and Amendments
The “Big Picture”

CDBG-DR Grant

- Needs Assessment
- Develop an Action Plan
- Implement Projects & Programs
- Reassess Needs
- Amend Action Plan
- Grant Closeout
Assess Recovery Needs Post-disaster
Needs Assessment—Disaster Impact

Evaluation of disaster-related impacts
Use the best available data
At a minimum, must evaluate three core aspects of recovery:

- Housing
- Infrastructure
- Economic revitalization
Assess other assistance available, or likely to be available

- FEMA funds available for public infrastructure
- Insurance funds available for homeowner rehabilitation
Unmet Needs and Funding Priorities

Disaster recovery resources are scarce
Use CDBG-DR to meet critical, unaddressed needs
Illustrate the connection between the recovery needs and funding allocation
  ▪ These do not have to align/match
  ▪ Must include reasoning for funding allocations
Develop a CDBG-DR Action Plan
CDBG-DR Action Plan

Plan to address unmet recovery needs through activities that:

- Are CDBG eligible (or received a waiver);
- Meet CDBG national objective; and
- Address direct or indirect impact of disaster
Ways to Distribute Funds

If the grantee is a State, it must determine whether to:

- Use a method of distribution, or
- Can carry out activities directly, or
- Use a combination of the above
Method of Distribution (MOD)

**Pros:**
- Quickly get funds to units of local government
- Units of local government have flexibility to determine most critical needs

**Cons:**
- Strictly competitive MOD may lack a clear connection between activities and the recovery needs
- Requires significant oversight to ensure funds are in compliance with all applicable state and Federal laws
Implementing Direct Activities

Pros:
- Able to develop and implement specific activities/programs that are narrowly tailored to meet identified recovery needs
- More oversight of CDBG disaster recovery funds—less risk of fraud, abuse, or waste

Cons:
- Significant capacity needed to design and implement programs directly
- May delay initial expenditures and could increase administration expenses if not properly executed
MOD and Direct Activities

Pros:
- Able to develop and implement specific activities/programs that are narrowly tailored to meet identified recovery needs
- Units of local government are responsible for day-to-day administration of specific recovery activities

Cons:
- May be a disconnect between the state and the units of local government if they fail to maintain open and continuous communication
Citizen Participation

Prior to formal submission to HUD, the grantee must post the Action Plan for public comment.

Action Plan submitted to HUD must address all comments received through the public comment period.
Implementing the Action Plan (and Reassessing Needs & Amendments)
Once the Action Plan is accepted by HUD, the grantee may enter information from the plan into the Disaster Recovery and Grant Reporting System (DRGR).

HUD will review the DRGR Action Plan; when approved, funds will be made available for use.

Different purpose than hard-copy Action Plan.
Non-Substantial Action Plan Number 60 to Katrina/Rita First and Third Appropriation – Policy Clarification: Road Home Homeowner Assistance Program – Classification of Funds Received under the Elevation Incentive Program

Activity Amount: No funds associated with Action Plan Amendment (APA) 60

I. Introduction

The cost to elevate homes has increased substantially since the Road Home program began disbursing Elevation Incentive (RHEI) awards to homeowners. In addition, many homeowners did not have adequate funds to complete the basic repairs needed to re-inhabit their homes at the pre-existing elevation. As a result, applicants receiving RHEI funds may have found it necessary to use those funds to complete their repair/reconstruction at the existing elevation.

Since the primary goal of the Road Home Program is to enable applicants to return and re-occupy their homes, this Action Plan Amendment (APA 60) identifies how the use of RHEI funds will be considered in cases where applicants have used some or all of those funds to repair and re-occupy their homes. The purpose of APA 60 is to enable RHEI award amounts that have been used for home repair and reconstruction to be more accurately re-classified as part of the applicant’s compensation award.

APA 60 is a clarification to the Homeowner Assistance Program as described in First Allocation APAs 1, 7, 14 and other submitted Clarifications to the Road Home Homeowner Assistance Program.
Evolving Recovery Needs

Disaster recovery needs evolve over time; the needs assessment (and Action Plan) may need to be updated periodically.

Contact FEMA/SBA for additional unmet housing and business needs data.

Additional local data on unmet needs.
Reassessment of Needs

Why?

- Changes in unmet needs of communities
- Recovery priorities have shifted over time
- New information as result of citizen participation process

How do grantees meet these needs?

- Recalibrate existing programs
- Develop new programs or projects
Action Plan Amendments

Non-substantial:
- HUD acknowledgement but no approval required
- No citizen participation requirements

Substantial:
- Similar process to Initial Action Plan approval
- Require HUD Approval to be effective/before can be implemented
- Citizen participation requirements
- HUD reviews using Substantial Amendment checklist
Substantial Amendments

Modifications that trigger a substantial amendment:

- Change in program benefit or eligibility criteria;
- Allocation or re-allocation of more than $1 million;
- Addition or deletion of an activity; or
- Any other criteria as established by grantee in its Action Plan.
‘Substantial Amendment Checklist’ consists of:

- Activity-level questions
- Appropriation-specific questions
- Overall Action Plan Budget questions

Discussion of Examples
From the City of Joplin’s Action Plan for 2011 disaster:

**SUBSTANTIAL AMMENDMENT**

The following events will be considered substantial amendments to the Action Plan for Disaster Recovery:
- The addition or deletion of any activity described in the Plan;
- A change in the planned beneficiaries of an activity, and
- A change to the scope of the project that would either:
  a) Increase/Decrease funding by $100,000 for a single activity; or
  b) Increase/Decrease the physical size of a project by 10% or greater.

Substantial amendments must be approved by the Joplin City Council. For substantial amendments, Joplin will post the amendment on its web-page and receive comments for 7 days. Following the public notice period, proposed amendments will then be submitted to the HUD Kansas City Field Office for review. For minor amendments, the City of Joplin will simply notify the Kansas City Field Office and finalized minor amendments will be posted on the City’s website.
Substantial Amendments

Why the change constitutes a substantial amendment

How the needs assessment informed change
Additional Resources

CDBG Disaster Recovery website: https://www.hudexchange.info/cdbg-dr/

- Supplemental appropriations laws
- Federal Register notices
- Contact information, Action Plans and Quarterly Performance Reports for CDBG-DR grantees

Peer CDBG-DR grantees
Your HUD CPD representative
Questions?
Agenda

I. Why Citizen Participation?
II. Citizen Participation Waiver
III. Alternative Requirements
IV. Certification Requirement
V. Making Citizen Involvement Work
VI. Stakeholders
VII. Impact on Communities
Why Citizen Participation?

The primary goal is to provide citizens, especially low and moderate income citizens of the community where CDBG-funded activities will take place, an opportunity to participate in an advisory role in the planning, implementation, and assessment of the programs and projects.
MANAGING CITIZEN PARTICIPATION TO SUPPORT COMPLIANCE
In general, to ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24CFR 570.486, 91.105(b) and (c), and 91.115(b) and (c), with respect to citizen participation requirements, are waived via Federal Register Notice. Please refer to applicable Federal Register Notice for specific requirements for each appropriation: https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/
Alternative requirements for Disaster Recovery grantees:

1. Publication and Time for Comments
2. Criteria for Determining Changes/Amendments
3. Consideration of Comments and Summary for HUD
4. Plans, Reports, Other Information Available to Public
5. Timely, Written Responses to All Complaints
1. Plan Publication and Time for Comments:
   - Manner of publication must afford reasonable opportunity to examine
   - Reasonable period of time to receive comments (at least 14 days – P.L. 114-254 & 115-31)

Note: Requirements may vary by appropriation
2. Criteria to Determine Changes/Amendments:

- In its Action Plan, Grantee must specify criteria for determining a substantial amendment
- At a minimum, the following will constitute a substantial amendment:
  - a change in program benefit or eligibility criteria
  - the allocation or re-allocation of more than $1 million
  - the addition or deletion of an activity
2. Criteria to Determine Changes/Amendments (cont’d)

▪ If substantial amendment, Grantee must publish the proposed amendment and follow Citizen Participation process as required in applicable Federal Register Notice(s)

▪ If non-substantial, Grantee must notify HUD 5 days before implementing changes or amendments, but is not required to undertake public comment
Citizen Participation – Alternative Requirements

3. Consider Comments and Summarize for HUD:

1. A number of comments raised the issue of the need for adult literacy training within these programs in order to ensure that people lacking these basic skills were able to access employment training. It was suggested that language be changed in two places within the action plan amendment to more strongly emphasize the need for inclusion of adult literacy within program being developed. The changes include:

   - The overarching concern with the current language relates to Page 3, paragraph 3—an amendment to the following sentence:
     ○ Collaboratives will be required to consider instruction and services that address the needs of local underserved populations such as high school students not planning to go to college, out of school youth, soon to be released inmates and adults needing basic skills instruction such as reading and math. Entities which include this continuum services that include these populations or provide sufficient reasons why this approach is not feasible.

   - In addition, the term ‘adult literacy participants’ should be changed to ‘adults needing basic skills instruction such as reading and math.’

RESPONSE: The action plan language has been adapted to reflect this message. Basically, groups that include programs that address the needs of local underserved populations such as high school students not planning to go to college, out of school youth, soon to be released inmates, and adults needing basic skills instruction such as reading and math will be considered for additional points in the RFP process.
4. Make Plans, Reports, Other Information Available to Public

- Provide reasonable, timely access to information and records relating to Action Plans and Quarterly Performance Reports (QPRs)
- Ongoing, prominent posting on the grantee’s official Web site
- Grantees are also encouraged to notify affected citizens in alternative manners
5. Timely, Written Responses to All Complaints (within 15 working days of receipt)
Citizen Participation – Certification Requirement

Grantees must adopt Citizen Participation Plan for disaster recovery in accordance with the requirements of applicable Federal Register Notice(s).

Grantees must certify that it is following a detailed citizen participation plan that satisfies regulatory requirements as applicable.

Each UGLG receiving assistance from a State grantee must follow a citizen participation plan that satisfies regulatory requirements as applicable.
<table>
<thead>
<tr>
<th>Program Level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of Documents</td>
<td>Action Plans and substantial amendments</td>
</tr>
<tr>
<td>Public Notice</td>
<td>Action Plans and substantial amendments</td>
</tr>
<tr>
<td>Public Hearing</td>
<td>Not required by HUD, but must provide reasonable opportunity for review &amp; comment</td>
</tr>
<tr>
<td>Community Meeting</td>
<td>Major issues, adjustments, new designs</td>
</tr>
<tr>
<td>Websites</td>
<td>Posting data on all activity levels, document libraries, reports</td>
</tr>
<tr>
<td>Citizens’ Advisory Committee</td>
<td>Ongoing program review and advice</td>
</tr>
</tbody>
</table>
# Making Citizen Involvement Work

## Project Level

<table>
<thead>
<tr>
<th>Community Meetings</th>
<th>Project design and update; feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens’ Advisory Committee</td>
<td>Possible role in coordinating projects</td>
</tr>
<tr>
<td>Neighborhood Meetings</td>
<td>Design, direction, fine-tuning project, and reporting to immediate area; feedback; can work like focus group</td>
</tr>
<tr>
<td>Websites</td>
<td>What’s Happening in My Back Yard (LA) progress reports</td>
</tr>
<tr>
<td>Interactive Web Environments</td>
<td>GIS, polling, comments, blogs</td>
</tr>
</tbody>
</table>
Who are your Stakeholders?

Residents/Community of Impacted Areas
Municipal Elected Officials
Advocacy Organizations/Special Interests
Non-Profit
Industry Recipients (farmers, fishermen)
Developers
Citizen Participation – IMPACT on the Community

Vitally important to the success of CDBG-funded programs and activities undertaken by grantees.
Compliance reduces the number of legal challenges and citizen complaints against the grantee.
Welcome

Goal for today:

▪ To get a broad understanding of the CDBG-DR recordkeeping and website maintenance requirements.
Why Is Recordkeeping Important?

- Accurate recordkeeping is crucial to the successful management of CDBG-funded activities.
- Insufficient documentation is likely to lead to monitoring findings, even if project implementation has been “successful.”
- A record of a project or activity should tell the story on its own.
- Monitoring findings will be harder to resolve if records are missing, inaccurate, or inadequate.
Overview

- Goals and regulatory citations
- Recordkeeping requirements for:
  - General Administration
  - Financial Transactions
  - Projects and Activities
  - National Objectives
  - Income Eligibility
  - UGLGs and Subrecipients
  - Waivers and Alternative Requirements
- Record Retention and Access
- Tips and Tricks for improving Recordkeeping
- Website requirements
Key Recordkeeping Goals

- Maintain a clearly defined process for acquiring, organizing, storing, retrieving and reporting information about CDBG-funded activities
- Have a clearly identified person(s) responsible for recordkeeping and reporting tasks, and ensure they are properly trained and supported
- Create standardized policies and procedures to streamline the recordkeeping and reporting process
- Ensure the removal of duplicative records
Regulatory Citations

- **CDBG Entitlement Communities**
  - Section 104(e); (a)(2)(D) and (a)(3)(b)
  - §570.506 (records to be maintained)
  - §570.508 (public access to records)

- **CDBG States**
  - Section 104(e); (a)(2)(D) and (a)(3)(b) and §570.490
  - States and HUD will jointly agree on required records
  - States establish recordkeeping requirements for UGLGs
  - States and UGLG records must include FHEO data on applicants, participants, beneficiaries, and cross cutting requirements
CDBG Disaster Grantees may have additional record keeping requirements:
  – Described in Federal Register Notices to comply with Appropriations Acts
  – Due to waiver and alternative requirements

Grantees should check:
  – Federal Register Notices for additional record keeping requirements; and
  – With CPD Rep to determine what additional records, if any, should be kept to comply with waiver requests approved by HUD
General Administrative Records

- Published Action Plans and amendments, certifications, etc.
- Executed grant agreement(s)
- Description, geographic location and budget of each activity
- Eligibility and national objective determinations for each activity
- Personnel files
- HUD monitoring correspondence
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records
- Environmental review records
- Documentation of compliance with crosscutting requirements (e.g., Davis-Bacon, Uniform Relocation Act, and Lead-Based Paint)
Financial Records

- Chart of accounts
- Accounting procedures
- Accounting journals and ledgers
- Source documentation (purchase orders, invoices, canceled checks)
- Procurement files (including bids, contracts, etc.)
- Real property inventory
- Bank account records (including RLF records, if applicable)
- Draw down requests
- Payroll records and reports;
- Financial reports
- Audit files
- Relevant financial correspondence
Project and Activity Records

- Eligibility of the activity
- Evidence of having met a national objective (covered in following slides)
- UGLG agreement (if applicable)
- Any bids or contracts
- Characteristics and location of the beneficiaries
- Compliance with special program requirements (e.g. environmental review records)
- Budget and expenditure information (including draw requests)
- The status of the project/activity
Documenting National Objective

NATIONAL OBJECTIVES

LOW/MOD
- Area Benefit
- Limited Clientele
- Housing
- Jobs

SLUM/BLIGHT
- Area Basis
- Spot Basis
- Urban Renewal

URGENT NEED
Documenting LMI Area Benefit

- Boundaries of the service area; and
- Income characteristics of residents of the entire service area
  - Census
  - Survey
Documenting LMI Area Benefit: LMISD

- Low- and Moderate-Income Survey Data (LMISD)
  - Previously based on 2000 Census
  - Updated for 2014
    - American Community Survey (ACS) 5-Year 2006-2010 survey
- CPD-15-05
  - Guidance for CDBG-DR grantees transition to the use of the 2014 LMISD
- DRGR Fact Sheet and Webinar posted online
Documenting LMI Area Benefit

- The service area must be populated by at least 51% LMI persons using census tracts and block groups from the LMISD
- HUD-Defined Exception Grantees (‘Upper Quartile”)
- Some communities have no or very few areas in which 51 percent of residents are LMI. For these grantees, CDBG law authorizes an exception criterion for such grantees to be able to undertake area benefit activities
24 CFR 570.208(a)(1)(ii) identifies the following methodology:

- All block groups within the grantee's jurisdiction are rank ordered from the highest percentage of LMI persons to lowest
- The total number of block groups is divided by 4
- If the percentage of LMI persons in the last block group in the top quartile is less than 51 percent, that percentage becomes the grantee's LMI threshold
Documenting LMI Area Benefit: Survey

- Survey regulations
  - 24 CFR 570.208(a)(1)(vi) - Entitlements
  - 24 CFR 570.483(b)(1)(i) - States

- LMISD must be used “to the fullest extent feasible” unless a grantee believes:
  - The data are not current, or
  - Do not provide enough information regarding income levels in the entire service area
Entitlements are required:
- To demonstrate that the method meets standards of statistical reliability that are comparable to the ACS and
- To have their survey instruments and methodology reviewed and approved by HUD.

State CDBG regulations at 24 CFR 570.483(b)(1)(a) require that the survey be methodologically sound.
Documenting LMI Area Benefit: **Survey**

- Determine service area
- Select the type of survey
  - Mail questionnaires
  - Face-to-face
  - Web-based
  - Telephone
- Develop the questionnaire
- Select the sample
- Conduct the survey
- Analyze the results
Table B – Sample Sizes at 95% Confidence Level

<table>
<thead>
<tr>
<th>Total Number of Families in the Service Area</th>
<th>Sample Size: Number of Families</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95% Confidence Level</td>
</tr>
<tr>
<td></td>
<td>Confidence Interval = 4</td>
</tr>
<tr>
<td>50</td>
<td>46 – 50 (may conduct a census)</td>
</tr>
<tr>
<td>60</td>
<td>51 – 59</td>
</tr>
<tr>
<td>80</td>
<td>67 – 75</td>
</tr>
<tr>
<td>110</td>
<td>89 – 97</td>
</tr>
<tr>
<td>150</td>
<td>116 – 124</td>
</tr>
<tr>
<td>210</td>
<td>152 – 160</td>
</tr>
<tr>
<td>290</td>
<td>192 – 200</td>
</tr>
<tr>
<td>400</td>
<td>236 – 244</td>
</tr>
<tr>
<td>700</td>
<td>319 – 327</td>
</tr>
<tr>
<td>1200</td>
<td>396 – 404</td>
</tr>
<tr>
<td>1800</td>
<td>446 – 454</td>
</tr>
<tr>
<td>2500</td>
<td>480 – 488</td>
</tr>
</tbody>
</table>
Documenting LMI Clientele

1. Demonstrate the activity is designed for and used by populations presumed to be LMI persons (e.g. seniors, disabled); or

2. Describe how the nature and the location (if applicable) of the activity is used predominantly by LMI persons; or

3. Data showing the household size and annual income of the beneficiary, and that at least 51% of those served are LMI; or

4. Data showing that the activity is a special project removing accessibility barriers.
Documenting LMI Housing

- The total cost of the activity, including both CDBG and non-CDBG funds
- The size, annual income, and FHEO characteristics of households occupying CDBG-assisted and designated LMI units
- A copy of the written agreement indicating the total number of dwelling units and the number of LMI units
- For rental housing only:
  - Rent charged (or to be charged) after assistance for each assisted unit
  - Documentation showing the affordability of units occupied (or to be occupied) by LMI households
Three ways to meet the LMJ National Objective

- Job Creation
  - 51% of new jobs made available to LMI persons
  - 51% of new jobs held by LMI persons
- Job Retention
- Measured by Full Time Equivalent (FTE)
Written agreement of each assisted business must include:

- A commitment to **make at least 51% of FTEs created available to LMI persons**, and will provide training for any of those jobs, if necessary;
- A listing by job title of the permanent jobs to be created, indicating which jobs will be available to LMI persons, which jobs require special skills or education, and which jobs are part-time;
- A description of the actions to be taken to ensure that LMI persons receive first consideration; and
- A listing by job title of the permanent jobs filled, which jobs were available to LMI persons, as well as a description of how first consideration was given to such persons.
Written agreement of each assisted business must include:

- A commitment by the business that at least 51 percent of the permanent jobs on a full-time equivalent (FTE) basis will be held by LMI persons;
- A listing by job title of the permanent jobs to be created (identifying which are part-time, if any);
- A listing by job title of the permanent jobs filled and which jobs were initially held by LMI persons; and
- For each LMI person hired, information on the size and annual income of the person's family prior to the time the person was hired for the job, or evidence the person qualifies as presumed to be LMI based upon location of the business or the person’s residence.
Documenting Job Retention

Written agreement of each assisted business must include:

- Evidence that the jobs would be lost absent CDBG assistance.
- A listing by job title of permanent jobs retained, indicating which of those jobs are part-time and which are held by LMI persons.
- Where applicable, identification of any of the retained jobs (other than those held by LMI persons) which are projected to become available to LMI persons through job turnover within two years.
- For each retained job held by a LMI person, information on the size and annual income of the household, or evidence the person is presumed LMI based on the business location or the person’s residence.
- For jobs claimed to be available to LMI persons based on job turnover: a description covering the items required for "available to" jobs; and a listing of each job that has turned over to date, indicating which of those jobs were either taken by, or made available to LMI persons.
Documenting Slum/Blight Area

- Boundaries of the area.
- Description of conditions demonstrating how the area met qualifying criteria (i.e. the area meets a definition of a slum, blighted, or deteriorated/ing area under state or local law).
- How the assisted activity addressed one or more of the conditions that contributed to the deterioration of the area.
- For each residential rehabilitation activity:
  - Local definition of "substandard" that must be at least as stringent as the Housing Quality Standards (HQS) used in the Section 8 Housing Assistance Payment Program—Existing Housing;
  - Pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
  - Details and scope of CDBG-assisted rehab by structure.
Documenting Slum/Blight Spot

- A description of the specific condition of blight or physical decay treated; and
- For rehabilitation carried out under this category, a description of the structure, including:
  - The specific conditions detrimental to public health and safety that were identified; and
  - Details and scope of the CDBG-assisted rehabilitation, by structure.
The documentation requirements of urgent need are waived for 113-2 grantees until two years after the date HUD obligates funds to a grantee for the activity.

Instead, each grantee receiving a direct award under 113-2 must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee.

- Grantees must reference in their Action Plan the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing.
### Determining and Documenting Income

- Annual income is the gross amount of income anticipated by all adults in a family during the 12 months following the effective date of the determination.

- Three definitions of income:
  - Annual income as defined under the Section 8 Housing Assistance Payments Program (24 CFR 5.609);
  - Adjusted gross income as defined for purposes of reporting under IRS Form 1040 (long form) for Federal individual income tax purposes; and
  - Annual income as defined for reporting under the Census long form for the most recent available decennial Census.
Determining and Documenting Income

To document Income-eligibility grantees can maintain:

- Evidence that the household/person assisted qualified under another program having income qualification criteria at least as restrictive as that used in the definitions of LMI household/person, such as Job Training Partnership Act (JTPA) and welfare programs; or

- Evidence that the assisted person is homeless; or

- Verifiable certification from the assisted person that his/her family income does not exceed the applicable income limit; or

- Referral from a state, county or local employment agency or other entity that agrees to refer individuals it determines to be LMI persons based on HUD’s criteria and agrees to maintain documentation supporting these determinations.
Records on UGLGs and Subrecipients

- Application
- Written agreement;
- Financial statements and records;
- Audits;
- Progress reports;
- Draw down requests (with source documentation, including invoices, purchaser orders, etc.); and
- Monitoring reports and correspondence.
Records Retention

- **CDBG Entitlement Communities**
  - Must maintain records for **4 years** following end of program year activity funded

- **CDBG States, longer of:**
  - Records of state and UGLG retained for **3 years** from closeout of HUD’s grant with state; OR
  - Keep records relating to State’s Con Plan & use of program funds during **preceding 5 years**; OR
  - Other specified periods:
    - 24 CFR 570.487, other applicable laws
    - 24 CFR 570.488, displacement, relocation, etc.

- Records related to any open audits, reviews, or investigations should be retained
Access to Records

- HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access grantee and UGLG program records.

- Requirements regarding public access to records include:
  - Grantees are required to provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable state and local laws regarding privacy and confidentiality.
  - The Consolidated Plan regulations require that states provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to the jurisdiction’s Consolidated Plan and the use of assistance under the programs covered by the Consolidated Plan.
How can the documentation and reporting systems be strengthened?

**AKA: How to avoid findings/concerns!**

- Create a file checklist for each type of activity. Put the checklist in the file and have someone ensure that all required documents are present and final.
- If you have an electronic system – create a road map for the system to ensure that moving from screen to screen is user-friendly and that it’s 100% clear where to go to find the required documents.
- Do your own records monitoring. Have an intern or staff person not familiar with that project walk through a file using the HUD Monitoring Exhibits. Can they answer all the questions using only the information found in the file? Have them check for any duplicate or incomplete records.
What types of records and reports could be automated?

- Use of web-based reporting and file storage
- Live data feeds to FEMA and SBA
- Standardized digital intake processes across subrecipients
- Use of DRGR data upload templates to:
  - Collect and insert beneficiary data into QPR
  - Create vouchers
- Use of DRGR MicroStrategy reports for:
  - Financial analyses
  - Data clean up
Website Maintenance

- Provide citizens easy and quick access to:
  - Available programs and key contacts
  - Plans and reports
  - Upcoming hearings and other citizen engagements

- Requirements
  - Vary by Appropriation
  - Described in applicable Federal Registers

- Achieve compliance with:
  - Citizen Participation requirements
  - Limited English Proficiency (LEP) plan
P.L. 113-2 Website Requirements

Appropriations Act and Federal Registers (3/5/15 and 7/11/14) require the grantee to maintain the following on its website:

- Published Plan and amendments
- DRGR Action Plan and QPRs
- Copies of first level contracts
- Summary of all contracts and procurement policies
- Citizen Participation requirements
- Information on programs and contacts
Thank you
FAIR HOUSING AND LIMITED ENGLISH PROFICIENCY (LEP)
How does this relate to Fair Housing?

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.
“Laws prohibiting national origin discrimination make it illegal to discriminate because of a person's **birthplace**, **ancestry**, **culture** or **language**. This means people cannot be denied equal opportunity because they or their family are from another country, because they have a name or accent associated with a national origin group, because they participate in certain customs associated with a national origin group, or because they are married to or associate with people of a certain national origin.”
How does immigration status impact fair housing rights/responsibilities?

It doesn’t. Every “Person” in the U.S. is covered by the Fair Housing Act.

“Person” includes one or more individuals, corporations, partnerships, or associations.
Immigration Status

Discrimination is treating someone differently because they are a member of a protected class and immigration status does not affect that protection

- E.g., not lending on the same terms because of someone’s race = violation of the Fair Housing Act regardless of immigration status
- E.g., not renting to someone because they are Muslim = violation of the Fair Housing Act regardless of immigration status
What is Limited English Proficient (LEP)?

- Census Bureau defines Limited English Proficiency as speaking English “less than very well”
- The entire LEP population grew by 52% between 1990 and 2000, from 14 million people to 21.3 million people
- LEP growth is fastest in states with greatest immigrant growth
LEP and Title VI

- Prohibits discrimination on the bases of:
  - Race
  - Color
  - National Origin
- In programs and activities receiving Federal financial assistance
Who Must Comply?

Recipients of HUD Federal Financial Assistance, such as:

- Housing Authorities
- HUD Assisted Housing Providers
- Activities funded with Community Development Block Grants (CDBG)
Title VI and LEP

Failure to ensure LEP persons can effectively participate in or benefit from federally funded activities and programs may result in National Origin discrimination under Title VI.
Executive Order 13166 August 11, 2000

- Federal agencies and their recipients must provide LEP Persons meaningful access to their services.
- EO 13166 was signed into law by President Clinton in 2000 and has been reaffirmed by each Administration since
HUD’s Title VI LEP Guidance

The Four Factor Analysis

▪ Number or proportion of LEP individuals served or encountered in the eligible service area
▪ Frequency with which LEP persons come into contact with the program
▪ The nature and importance of the program, activity, or service provided by the program; and
▪ The resources available to the grantee
Generally, the greater the number or proportion of LEP persons from a certain language group within the eligible service area, the more likely language services are needed.

What is the “Eligible Service Area”?  
- The area from which the program would expect to draw its applicants and beneficiaries
Consider geographic and programmatic terms. Even if overall number of LEP persons is small, the number of contacts the recipient has with LEP persons from the language group may be high!

Only consider LEP individuals, and not all persons from non-English speaking national origins.
Tools to determine Number or proportion of LEP persons served

American Factfinder
http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml
- Can search by ethnicity or country of origin within given geographic area (city, county, or state level)
- Data can be broken down into how well English is spoken

Migration Policy Institute data
http://www.migrationpolicy.org/programs/data-hub
- Data shows estimates of number of LEP individuals within a county
- Data is taken from American Community Surveys and is organized by state
- Shows absolute number of LEP persons and percentage of LEP persons
The more frequent the contact with a particular language group, the more likely that enhanced languages services in the language are needed.
The nature and importance of the program, activity, or service provided by the program

- The more important, the more likely language services are required.
- Ask: is it compulsory for continued participation? Could denial or delay of access to information have a serious implication? Is the specific activity the basic activity for which the recipient was funded?
The resources available to the grantee

- Determine your level of resources AND the costs which would be incurred in providing language services
- All of these factors are examined and compared against what kinds of services are being provided or offered for LEP persons.
Determining if there is Meaningful Access

What is Meaningful Access?
- Ability to access programs and participate in services, activities, and other benefits

Where should your analysis start?
- Good starting point - Safe Harbors

<table>
<thead>
<tr>
<th>Size of Language Group</th>
<th>Recommended Provision of Written Language Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 or more in the eligible population in the market area or among current beneficiaries</td>
<td>Translated vital documents</td>
</tr>
<tr>
<td>More than 5% of the eligible population or beneficiaries and more than 50 in number</td>
<td>Translated vital documents</td>
</tr>
<tr>
<td>More than 5% of the eligible population or beneficiaries and 50 or less in number</td>
<td>Translated written notice of right to receive free oral interpretation of documents</td>
</tr>
<tr>
<td>5% or less of the eligible population or beneficiaries and less than 1,000 in number</td>
<td>No written translation is required</td>
</tr>
</tbody>
</table>
Minimum Essential Elements of LEP Services

Recipients, no matter how small, must begin by providing essential elements of LEP services including:

- Assess languages used among the eligible population in the recipient’s service area
- Make “I Speak” cards readily available in the languages that have a significant population
- Establish access to a translation line such as LanguageLine
- Make its website accessible to LEP persons
1. Recipients of federal funding need to be making efforts to provide access to people with limited English skills.

2. The analysis of what services a recipient needs to provide is a fact specific balancing test.

3. If someone is having difficulty accessing federally funded programs because of a language barrier, they can file a complaint and HUD may investigate.
LEP Resources

HUD LEP Page
https://www.hud.gov/program_offices/fair_housing_equal_opportunity/limited_english_proficiency

Inter-Agency LEP Page
www.lep.gov