

CDBG-DR APPLICATION HANDBOOK

I. Introduction and Program Outline

A. State Administration

The Rhode Island Department of Administration, Division of Planning, Office of Housing and Community Development ("OHCD") will administer the State's Community Development Block Grant Disaster Recovery ("CDBG-DR") Program.

To serve as a support element for the program, a Steering Committee will be formed with representation from the Governor's Office, the Economic Development Corporation, Department of Transportation, Division of Planning, Department of Administration (Housing Resources Commission/Office of Housing and Community Development) and the Rhode Island Emergency Management Agency. The committee is advisory to the Community Development staff and participates in the evaluation of applications. An additional representative from the State's Department of Environmental Management may be consulted on relevant proposals.

B. Governing Regulation(s)

The CDBG-DR program is governed by U.S. Department of Housing and Urban Development regulations at 24 CFR Part 570 (CFDA# 14.228), as amended by program requirements listed in FR-5452-N-01.

C. Available Funding

The total funding currently available for the CDBG-DR program is \$8,935,237. From this total, the amount of \$446,761 (5%) is set aside for both state and local program administration.

The remainder, approximately \$8,488,476, is estimated to be distributed through a competitive Request for Proposals by activity type as follows (total amounts, per activity, may be revised based on actual applications received):

- Public Facilities and Infrastructure: \$4,288,913
- Housing Rehabilitation: \$1,340,285
- Economic Recovery: \$1,250,923
- Property Acquisition: \$893,523
- Planning: \$446,761
- Public Service: \$268,057

D. Eligible Applicants

The State may only directly fund applications from eligible Units of General Local Government. All Rhode Island municipalities are eligible to apply for funding.

II. Eligible Activities (24 CFR Part 570.482)

A. General

As per FR-5452-N-01, all activities must be related to recovery from the March 12-31, 2010 disaster, in the following areas:

- Relief from Disaster created needs
- Long Term Recovery Projects & Planning
- Infrastructure Improvements
- Restoration & Rehabilitation of Housing
- Economic Revitalization in affected areas

The eligible activities are based upon State CDBG program regulations, FR5452-N-01, and the promulgated Action Plan.

Activities which are eligible for CDBG-DR funding were selected from this group, and are listed below, along with corresponding Housing and Community Development Act of 1974 ("HCDA") citation. Note that not all sub-activity types listed under an HCDA section are allowed through the RI CDBG-DR Program: **PLEASE READ the Descriptions below**

B. Eligible Activities

1. **General Activities:**

105(a)(9) *Payment of Non-Federal Share*

105(a)(14 & 15) *Activities Carried Out through Nonprofit Development Organizations*

2. **Public Facilities and Infrastructure:** 105(a)(2)

CDBG-DR funds may be used for projects that will acquire, construct, reconstruct or install public infrastructure, facilities and site or other improvements, as related to damage incurred during the March disaster. Examples include repair, installation, and replacement of water and sewer systems, culverts and storm drainage, and repair of damaged streets.

FR5452-N-01 Waiver #19 includes structures for both citizen use and local government administration as eligible public buildings, if those buildings have a substantial value in promoting disaster recovery.

Hazard mitigation improvements are allowed only to the extent that they are factors in an otherwise allowable activity.

Stafford Act Provisions: As per provisions of the Stafford Act, no public works project may be funded with Federal monies in excess of the amount necessary to meet disaster needs.

Threshold Criteria: Project will address need arising from the March 2010 disaster, and conform to provisions of the Stafford Act.

3. Housing Rehabilitation: 105(a)(4)

CDBG-DR funds may be used for assisting low- and moderate-income households with documented **unmet** housing needs as a result of the March 2010 Flood. Hazard mitigation improvements are allowed only to the extent that they are factors in an otherwise allowable rehabilitation activity.

Stafford Act Provisions: As per provisions of the Stafford Act, no individual may be awarded Federal Monies in excess of their disaster need.

Eligible Housing Activities include:

- Rehabilitation of existing low- moderate income housing, damaged during the 2010 Flood
- Clearance and removal of debris on low- and moderate-income properties
- Demolition of structures on low- and moderate-income properties

4. Home Ownership Assistance: 105(a)(24)

Down Payment and Homeownership Assistance, as modified by Waiver #16 in FR-5452-N-01, are eligible Home ownership assistance activities. Up to 100% of Down-payment Assistance may be provided. Assistance may be provided to individuals up to 120% of area median income

Stafford Act Provisions: As per provisions of the Stafford Act, no individual may be awarded Federal Monies in excess of their disaster need.

Eligible Activities:

- Down payment Assistance for Households who have relocated as a result of severe Flood Damage incurred during the March 2010 event.
- Closing cost & other Home Ownership Assistance, for Households who relocated as a result of severe Flood Damage incurred during the March 2010 event.

5. Economic Recovery, Stabilization and Development Activities: 105(a)(17)

CDBG-DR funds shall be available to local businesses that suffered physical damage, to property or equipment, due to the disaster and/or loss of revenue due to the closure of a public facility or public infrastructure.

Assistance may also be given to private, for-profit entities for mitigation activities, including business relocation, related to hazards from severe storms and flooding, as related to the March 2010 flood.

All Economic Recovery and Stabilization activities are allowed, however, only if they are **necessary** to the further operation of the business and/or retention of jobs, and can be qualified under the L/M Income Jobs National Objective. Note that FR5452-N-01 Waivers #23 & #24 changes requirements for L/M I Job National Objective determination:

23. National Objective Documentation for Economic Development Activities. 24 CFR 570.483(b)(4)(i) and 570.208(a)(4)(i) are waived to allow the grantees under this Notice (except for Shelby County) to establish low- and moderate-

income jobs benefit by documenting, for each person employed, the name of the business, type of job, and the annual wages or salary of the job. HUD will consider the person income-qualified if the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family.

24. Public benefit for certain economic development activities. For economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects), the public benefit standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f)(1), (2), (3), (4)(i), (5), and (6), and 24 CFR 570.209(b)(1), (2), (3)(i), (4) are waived. However, grantees shall report and maintain documentation on the creation and retention of total jobs; the number of jobs within certain salary ranges; the average amount of assistance provided per job, by activity or program; and the types of jobs. Paragraph (g) of 24 CFR 570.482, and 24 CFR 570.209(c), and (d) are also waived to the extent these provisions are related to public benefit.

Stafford Act Provisions: As per provisions of the Stafford Act, no business may be awarded Federal monies in excess of those necessary to meet disaster needs.

Threshold Criteria: Funds will be distributed to sub-grantees, who will then distribute funds to business owners, based on the below criteria.

- i. Business suffered documented physical damage or economic loss due to the March, 2010 disasters; and
- ii. Commitment to re-open business (if closed) within 12 month of receipt of assistance; and
- iii. Commitment to CDBG regulatory compliance; and
- iv. Ability of project to meet a CDBG-National Objective; and
- v. Conformance to regulatory provisions in the Stafford Act.

Documents to be considered:

The ability of the private for-profit entities to document the receipt of a disaster loan from, or evidence of application to the U.S. Small Business Administration (SBA), a financial institution, or an economic development corporation or other equivalent types of loans should be considered in distributing funds to private for-profit entities.

6. Acquisition of Property: 105(a)(1)

CDBG-DR funds shall be available to assist property owners with the leveraging of other funds to facilitate voluntary buyouts of flood-damaged housing units in repetitive flood areas.

Funds may be distributed to buyout projects that provide for the buyout of both L/M Income and above L/M Income residences. Projects will be qualified under either L/M Income Area Benefit, or Urgent Need, depending on the use of the land following a buy-out.

CDBG-DR funds are also available to assist commercial property owners with the leveraging of other funds to facilitate voluntary buyouts of flood-damaged units in repetitive flood areas.

Commercial property buyouts must be eligible under a National Objective, likely Urgent Need or L/M Income Jobs.

Stafford Act Provisions: As per provisions of the Stafford Act, no individual may be awarded Federal Monies in excess of their disaster need.

Threshold & Evaluative Criteria: Buyout Projects will be evaluated and funded based on the following criterion:

- Commitment of the applicant to property buyouts through another program or funding source; and
- Documented loss among properties in the buy-out area; and
- Any restrictions (deed, otherwise) on the future development of the property; and
- Appraised value of the property (pre/post disaster) in the buyout proposal; and
- Coordination with local Planning/Building agencies, or other regulatory; and groups
- Conformance to regulatory provisions in the Stafford Act; and

7. Public Services: 105(a)(8)

CDBG-DR funds may be used for projects that provide public services directly related to disaster recovery, if such services meet the maintenance of effort requirements, and are required as a result of the March 2010 disaster.

Threshold Criteria: Project will address need arising from the March 2010 disaster and be the best alternative to resolve the need.

8. Planning: 105(a)(12 & 16)

Assistance may be given for the development of Disaster Recovery or Hazard Mitigation policy-planning capacity.

Disaster recovery planning may include floodplain management measures through mapping, zoning/building code ordinance revisions, floodplain ordinances, drainage basin studies directly related to impacts of the disaster, infrastructure and engineering studies necessary for disaster recovery and mitigation, and updating building requirements. All planning activities should correlate to need related to the March 2010 disaster.

Funds may be used to develop new floodplain maps and to update and improve existing maps.

Threshold Criteria: Eligible projects must demonstrate the long-term efficacy of these planning activities.

C. Considerations

Applicants are cautioned that each proposed activity must meet a "National Objective" as detailed in Section III of this handbook. Appendix A details eligible activity / national objective requirements and summarizes waivers as promulgated through FR5452-N-01.

Communities are also urged to consult HUD's "Guide to National Objectives and Eligible Activities for State CDBG Programs" for a more detailed discussion of eligibility/national objectives, to determine an activity's fundability. Although the State is given latitude in defining program requirements, this Guide can serve as general interpretive guidance. This Guide has been provided to all eligible CDBG municipalities, is available online, and is hereby incorporated to be part of this application handbook. Chapter 2 of the Guide details categories of eligible activities:

<http://www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/>

D. Expansion of Eligible Activities under CDBG-DR

As per waivers listed in FR-5452-N-01, and received program guidance, listed below is an expansion to eligible activities, in comparison to the annual CDBG program:

- Rehabilitation and repair of buildings or portions thereof used for the general conduct of government as defined in HCDA Section 102(a)(21). This does not include removal of architectural barriers involving such buildings, which are already eligible.

E. Mitigation-Specific Eligible Activities

Mitigation activities in themselves are not allowed under CDBG-DR, however mitigation factors are allowed as part of an eligible activity.

Eligible Mitigation Activities Include:

- Housing or Commercial Property Buyouts, if property was affected by the flood
- Floodplain Mapping, tied to recovery from current disaster
- Rehabilitating and elevating a home that was previously damaged by the flooding;
- Rehabilitating and expanding a damaged community building, that could be used as shelter in a future disaster.
- Installation of new infrastructure, if a lack of infrastructure exacerbated the effects of the disaster, and if the installation of new infrastructure would help repair / alleviate negative affects of the flood
- Mitigating factors in other eligible activities (as listed in sections B, C & D above)

Ineligible Mitigation Activities Include:

- Constructing a new emergency shelter or fueling station (that will not be used for any other rehabilitation purpose)
- Rehabilitating or expanding an emergency shelter that was not physically damaged
- Buying and installing a 'Reverse 911' system to alert homeowners
- Purchasing equipment – including radios, portable lights, and portable generators (unless equipment is part of an administrative or public service activity)
- Standalone mitigation activities

F. Ineligible Activities

General Rule: The general rule is that any activity not listed in the above section as eligible should be considered ineligible. However, by regulation, HUD has interpreted some activities not specifically stated in the HCDA as eligible. Such activities are spelled out in the Guide.

Ineligible Activities include:

- General Government Expenses
- Political Activities
- Certain Hazard Mitigation Activities not directly related to disaster.

III. National Objective (24 CFR Part 570)

A. General

The primary objective of the CDBG-DR program is to provide for disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization in areas affected by the March 2010 flood, while also fulfilling the goal of the Housing and Community Development Act of 1994, which is the development of viable communities by the provision of decent housing and a suitable living environmental and expanding economic opportunities, principally for persons of low- and moderate- income.

Each activity must meet one of three HCDA named national objectives:

- Predominate benefit to low- and moderate- income persons;
- Preventing or eliminating blights; or
- Meeting other community development needs having a particular urgency because existing conditions post a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

Over 50% of the State's funding for CDBG-DR Program must be used for activities that meet the L/MI Income National Objective. To assure compliance with this requirement, at minimum 60-70% of CDBG-DR funds will be awarded to activities generating benefit to L/M income persons; activities which promote L/M Income benefit will therefore, generally, have a greater chance of being funded.

In determining whether a proposed activity complies with one or more of the national objectives, OHCD staff will utilize HUD's "Guide to National Objectives and Eligible Activities for State CDBG Program" as well as its own interpretations of the regulations. Appendix A details eligible activity / national objective requirements.

Communities are urged to consult this Guide for a more detailed discussion of eligibility/national objectives, to determine an activity's fundability.

Although the State is given latitude in defining program requirements, this Guide can serve as general interpretive guidance. This Guide has been provided to all eligible CDBG municipalities, is available online, and is hereby incorporated to be part of this application handbook. Chapter 3 of the Guide details National Objective requirements (Charts in Chapter 2 show examples of how Eligible Activities can meet these requirements), including:

- Activities Benefiting L/M Income Persons
- Prevention/Elimination of Slums or Blight
- Urgent Needs

<http://www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/>

B. Area Benefit

Applicants may utilize one of two sources in documenting compliance with the L/M Income Area Benefit National Objective.

- **Census (HUD Low/Moderate Income Summary Data)**
Data tables are available at the OHCD which detail income characteristics of Census Tract and Block Group areas. If these areas coincide with the service area boundaries for the activity proposed, the community may utilize this data to document National Objective compliance.
- **Survey**
If census information is inadequate to document the income characteristics for an area, a community may conduct a survey to document the percent of this area which is low/moderate income. A statistically valid survey methodology must be utilized. HUD Notice CPD-05-06 details the Suggested Survey Methodology to Determine the Percentage of Low- and Moderate- Income (LMI) Persons in a Service Area of a Community Development Block Grant-Funded Activity. This publications should be used in evaluating and conducting surveys to document LMI benefit. This publication can be found online at:

<http://www.hud.gov/offices/cpd/lawsregs/notices/index.cfm>

Generally, these guidelines should be followed in completing incomes surveys. However, there are several State clarifications/variations from this notice as detailed below:

- 1) In conducting surveys, communities should utilize "household" income rather than "family" income as detailed in the Notice. A community that wishes to use "family" income in their survey, must provide OHCD a written request for exemption to this requirement. The request must detail the reason(s) as to why "family" is a superior indicator than "household" for the subject area.
- 2) Prior to initiating a survey, communities must consult with OHCD for any special survey requirements to be imposed. OHCD may request the collection of supplemental information, such as age/minority status, depending on the area targeted and activity(ies) planned.
- 3) **Lifespan** - Surveys will be valid for up to 5 years, after such time they will be reexamined annually to assure they are still representative of the area. If any significant demographic, economic and non-economic changes have occurred in the area, the survey must be redone. After 5 years, the community must annually submit a written request to OHCD to extend such survey's results (no later than the next decennial census) for new activities.
- 4) **Contiguous Areas** - The area surveyed must be the entire service area for the project. This area should be consistent with the true known neighborhood boundaries. These boundaries must be clearly mapped and included with the CDBG-DR application. All areas surveyed must be contiguous/abutting; Checker-board survey areas will not be accepted.

IV. Application Requirements

A. Funding Limits

1. No application limits will be imposed. No municipality, however, will receive more than \$2,200,000 (~1/4 of statewide allocation) in total funding.
2. Maximum funding limits, per activity, are listed below and are classified based on activity type:

Public Infrastructure:	\$1,072,228
Housing Rehabilitation:	\$670,142
Economic Recovery:	\$625,461
Property Acquisition:	\$893,523
Planning:	\$446,761
Public Services:	\$268,057

B. Duration

All grant awards will be made for a 24-month period. Extensions may be granted by the OHCD when satisfactory progress toward completion of the projects is evident. All communities are required to spend all monies awarded within 36 months of award date, excepting Property Acquisition activities, where the community will be required to expend all monies within 48 months. Any funds remaining after these time periods may be deobligated and recaptured by the State, and redistributed through a subsequent CDBG Funding round as a special application, as deemed appropriate.

C. Scope of Review

Communities are reminded that the CDBG-DR application process will be highly competitive. The State intends to fund the best, most competitive projects in the communities with the greatest level of unmet disaster need; **communities are not guaranteed an award**. In reviewing an application and awarding a grant, the State may modify a proposed activity or funding level where it is determined that such changes are necessary to comply with program requirements, national objectives, and threshold requirements.

In reviewing requests for assistance to private for-profit businesses, the State reserve the right to negotiate directly with the private participating parties to substantiate the economic feasibility of the proposed project and to determine the appropriate amount of public financing required.

Each application is reviewed twice. OHCD Staff will review each project proposal and assign a score based on both the merits and competitiveness of the project versus other projects within the same activity group, and also on information received from Municipalities and other State and Federal Agencies regarding Disaster Needs. The Steering Committee will then review both scores, and recommend grant awards to projects based on Community Need and Project Competitiveness.

This system is designed to achieve a reasonable balance between community disaster needs and individual project competitiveness and to fulfill the State's intended purpose as stated above.

D. Threshold Requirements

In recognition of State Development Policy, the following are established as basic requirements for the funding of an application.

1. Local Plan Compliance

All proposed activities must be in compliance with:

- the goals, objectives, and policies set forth in the locally-adopted Comprehensive Plan
- the goals, objectives, and policies set forth in the State Guide Plan
- municipal ordinances and regulations

Compliance with the Comprehensive Plan must be demonstrated by how each proposed activity directly implements specific objectives, policies, or strategies contained in the Plan. For communities with an up-to-date Comprehensive Plan State Certificate of Approval, compliance with the Comprehensive Plan shall be sufficient to demonstrate compliance with the State Guide Plan. For communities *without* an up-to-date Comprehensive Plan State Certificate of Approval, compliance with the State Guide Plan must be demonstrated by how each proposed activity directly implements specific objectives, policies, or strategies contained in relevant elements of the State Guide Plan.

The Administrative Officer/Planner for the local Planning Board or Commission (or authorized official if no Administrative Officer/Planner exists) shall be responsible for providing citations demonstrating conformance with the Comprehensive Plan and if required, the State Guide Plan. The same official shall also be responsible for certifying that all proposed activities comply with municipal ordinances and regulations.

OHCD will accept, as Zoning Ordinance compliance, a proposal requiring the granting of a special use permit, variance or conditional zoning approved by the Zoning Board of Review, provided that the proposal satisfies all requirements for such approval. Any award will be conditioned upon the granting of the special use permit, variance or conditional zoning approval within 60 days of the date of award. Where a proposal requires amendment to an ordinance or regulations, it will be considered to be in conflict with that ordinance or regulation.

Proposed projects must be consistent with the State Land Use Plan, Municipal Affordable Housing Plan, and the State Strategic Affordable Housing Plan, or meet the general standards and principles set forth in the aforementioned plans applicable to the activity.

Communities will be asked to map each project to demonstrate consistency with the State Land Use Plan. A narrative explanation of impact and consistency with the plan should be submitted for any activity proposed outside of locally-identified growth centers or State urban service boundaries.

2. Flood Plains

New development will not be approved within the 100 year flood plain as defined on mapping provided by the Federal Emergency Management Agency unless such development is designed to mitigate or to be compatible with the flood hazard. This shall not apply to the reuse or rehabilitation for use of existing structures or to the development of shore or waterfront facilities where appropriate flood-proofing and flood protection measures are implemented and where hazards to other property is not increased. In addition, where required/deemed appropriate, any such investment shall be protected by flood insurance.

The local Building Official or other appropriate local official shall certify that the proposed project is consistent with National Flood Insurance program requirements and with the above statement.

3. Planned Transportation Actions

No program will be approved which includes the construction development or rehabilitation of a facility or structure in a location which conflicts with a planned major transportation action or investment. Reference is made to transportation elements of the State Guide Plan and to the Environmental Action Plan of the Rhode Island Department of Transportation for the definition of a "major transportation action".

4. Stream Discharges

No activity which will result in discharges in Class A/SA or B/SB waters will be approved without the written consent of the Department of Environmental Management.

5. Historic Resources

The application must include documentation that the Rhode Island State Historical Preservation Officer/Commission (SHPO) and the Narragansett Indian Tribal Historic Preservation Office (THPO) have been notified of all proposed activities. No activity will be approved without documentation demonstrating compliance with all applicable procedures, rules and regulations.

6. Ground Water Aquifers and Recharge Areas

No activity which will result in waste water discharge into an identified major ground water aquifer or principal recharge area will be approved unless such activity is served by public sewers or is designed to ensure protection of the ground water resource and is approved by an agency of jurisdiction. Reference is made to the State of Rhode Island "208" Area wide Water Quality Management Plan-Map of Water-Related Sensitive Areas.

7. Farmland

No construction or development will be approved in a location where more than 50% of the site consists of soil which are rated as prime farmlands or important farmlands of statewide

significance in the 1981 Soil Survey of Rhode Island unless one or more of the following can be demonstrated:

1. No other location is feasible.
2. The land cannot be part of a viable farm unit and has not been in farming use for a period of five years.
3. Urban development has taken place within a 1/2 mile of the location and urban utilities such as public water and sewerage are available within 1/4 mile of the location.

E. Flood Damage Needs Identification

As part of the application, each community must submit a survey which will include a statement identifying the disaster's effects on community, and resulting needs, and a listing of unmet needs related to Public Infrastructure. This 'Disaster Needs Survey' will be included in the Application Package.

F. Pre-agreement Costs

CDBG-DR funds may not be used to reimburse costs incurred prior to announcement of awards, except as provided below.

The State intends to utilize the provisions of 24 CFR Part 570.489(b) relating to Reimbursement of Pre-agreement Costs. The State has adopted procedures which permits a unit of local government to incur costs for CDBG-DR activities prior to the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are in accordance with procedures adopted by the State, are eligible and are undertaken in accordance with the requirements of this subpart and 24 CFR Part 58 (environmental review).

General Procedures for Requesting Preagreement Consideration:

An application for Preagreement consideration should be submitted using the same forms and same procedures outlined in the CDBG-DR Application Handbook for the regular competitive application cycle. These requirements include public notification, Town Council approval, Thresholds review, etc. The community may opt to consolidate the public hearing requirements provided all federal and State public notification regulations are complied with.

Communities must document, as part of the narrative portion of the application, the specific reason preagreement approval is necessary (such as cost savings, continuity of service, etc.). The narrative should also provide a timeline relative to the activity, detailing those specific costs requested to be incurred prior to the completion of the CDBG-DR application cycle.

OHCD staff will review preagreement proposals for adherence for Federal and State rules and regulations. The OHCD may approve (in whole or in part), reject or hold application (in whole or in part) until the next funding round. Be advised OHCD staff will only entertain those costs necessary to be incurred prior to the completion of the regular application cycle. Costs incurred

prior to submittal of the request will not be considered. OHCD may, at its discretion, convene a special meeting of the CDBG-DR Committee to evaluate the proposal submitted.

If an activity were to receive preagreement approval, the community must complete appropriate environmental reviews (including RROF) prior to the obligation or expenditure of funds awarded.

After receipt of preagreement approval and completion of necessary environmental reviews, a community may incur eligible/approved costs, supporting them with their own resources. Subsequent to completion of the regular application cycle, a final contract relative to the activity will be executed and funds may be drawdown from the State to reimburse the municipality. A special Preagreement Form (Appendix B of Application Handbook) is available and must be submitted along with any request for pre-agreement consideration.

Special Waivers for CDBG-DR Pre-agreement costs :

Projects undertaken as an immediate response to the March 2010 flood may request pre-agreement consideration, even if, due to the necessary of expedited response, provisions related to Davis-Bacon Wages and Environmental review were not adhered to, so long as projects were completed before October 15, 2010, the date of announcement by OHCD of funding availability.

Project activities performed after 10/15/2010 may not request pre-agreement consideration unless provisions related to environmental review and Davis-Bacon wages were conformed to.

G. Regional/Statewide Initiatives

Regional Activities - Activities which are regional in basis (such as regional service providers) may, at each community's discretion, be requested through a single "lead" community. In this instance, all contracting and program issues (reporting, etc.) would be managed through the "lead" community. Subrecipient / subgrantee contracts relative to the activity will specifically detail "funding is intended to provide a continuity of service to the entire service area".

H. Neighborhood Revitalization

Neighborhood revitalization is defined as a concentrated investment of resources, federal, State and otherwise, for the purpose of making demonstrable improvements in a designated distressed area. The State's Community Development Block Grant Program defines "designated distressed area" as any area which is predominately, greater than 51%, low/moderate income. The target area boundaries must be consistent with and encompass the entire true "neighborhood".

Neighborhood Revitalization is a central focus in the State's attempt to foster community development. The impact of activities in such comprehensive "holistic" treatments is dramatically increased. Comprehensive programs can consist of a multitude of activities, designed to serve the needs of a predominately low/moderate income area and its residents. These activities may include:

- Housing Rehabilitation
- Public Facility Improvements
- Community Infrastructure Improvements
- Economic Development Activities
- Public Services
- Among others...

Flood recovery projects that dovetail with Neighborhood Revitalization goals will receive bonus consideration in the scoring process

Neighborhood Revitalization areas are designated through the Annual Community Development Block Grant program.

I. Permitting Procedures

No expenditure for construction or development, excluding the costs generally associated with site design and predevelopment, will be authorized until all reviews, permits, clearances and/or statements of non-applicability have been received as required by any applicable Federal, State and local regulatory or permitting process such as the Fresh Water Wetlands Act, the Coast Resources Management Act, the program of the U.S. Army Corps of Engineers or the U.S. Environmental Procedures Agency, except as provided in section F., above. Applicants are required to identify any such applicable system in the Thresholds portion of the proposal.

J. Citizens Participation

As per program waiver (6) listed in FR-5452-N-01, citizen participation requirements for CDBG-DR have been streamlined to facilitate program implementation, relative to the annual CDBG program.

Each applicant must involve citizens in the preparation of Community Development Disaster Recovery programs, and shall provide technical assistance to groups, representatives or persons of low and moderate income that request assistance in developing proposals. Each applicant must provide for a minimum of one public hearing, held at the ‘Proposed Application’ stage of the process.

K. Public Hearing

1. Each applicant must publicize the Proposed Application and hold a public hearing to obtain citizens' views on proposed activities. Reasonable notice must be provided for such hearing. The proposed application shall be made public on the date of the hearing, and shall allow for comment, either written or oral, during a 7 day period following the Public Hearing .
2. In preparing the Final Application, a community must consider any comment and views and modify the application if it is deemed appropriate. A record of comments and responses must be maintained by the community, and reference briefly in the application.
3. The Final Application, as submitted, must be made available to public online.

4. Written minutes with a listing of participants must be kept on the public hearing.
5. In developing a program, applicants are to provide for citizen participation appropriate to the activities proposed within the program period. This citizen participation component should be outlined briefly in the "Preliminary Management Plan" and shall provide citizens the address, phone number, and times for submitting complaints and grievances and shall provide for timely written response to written complains and grievances. Where practicable, written answers shall be provided within 15 working days.
6. When a CDBG-DR hearing is advertised and conducted as an agency item within an official scheduled meeting of a public body (ie. Town council/planning board), the "CDBG-DR Hearing" agency item shall be heard as close to the time advertised as possible. Procedures shall be established to allow and accommodate requests by persons with disability to adhere to the advertised time of the hearing. Requests shall be made prior to the beginning of the meting of the public body and shall be reviewed and granted on a case by case basis. Approval shall not be unreasonably denied.
7. Handicapped Accessibility

Cities and Towns are required to make reasonable accommodations to assure that any CDBG-DR public hearing is conducted in a manner that facilitates the full participation of persons with disabilities.

L. Public Disclosure

1. General: Subpart C of Section 102 of the HUD Reform Act is designed to ensure greater accountability and integrity in the way HUD assistance is made available and is applicable to the State's CDBG-DR program.

Each CDBG-DR applicant must complete and submit a Community Development Disclosure Report. This report and instructions for completion of such are provided in the application package at Appendix D.

2. Requirements
 - a. Full Disclosure report must be submitted by any applicant requesting more than \$200,000 in CDBG funds.
 - b. Full disclosure report must be submitted by any applicant requesting less than \$200,000 but has received or could receive other covered assistance (See Appendix D) which when added to the CDBG-DR funds exceeds \$200,000.
 - c. An applicant request of \$200,000 or less in CDBG funds, that will not be receiving other covered assistance, is not required to make full disclosures, but must complete and submit Part I and II of the Disclosure Report.

3. Initial Reports

Applicants required to submit a full initial report must disclose the following:

- a. Other government assistance (Federal, State and/or local) that is to be used in conjunction with the CDBG project.
- b. Identification of Interested Parties: Interested parties are persons and entities with a reportable financial interest in the project. If an entity is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10% of the CDBG assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit or resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (the following are not considered interested parties: local CDBG administrative staff, recipients of housing rehabilitation assistance, and rehabilitation contractors as long as the rehabilitation agreement is between the property owner and the contractor).
- c. The sources of all funds to be used in the project (including those sources identified in (i) above) and the uses to which said funds are to be put.
- d. The State is prohibited from contracting CDBG funds to a local government until the Disclosure Report is submitted.

N. Local Planning Board or Commission Review

Proposed program activities must be submitted to the local Planning Board or Commission for review and certification to determine compliance of proposed activities with local development policy set forth in the local Comprehensive Community Plan and with local development ordinances and regulations. In addition to the required certification, a copy of the Board or Commission minutes must be forwarded to OHCD as part of the application showing the discussion and action of the Board or Commission. Certification of compliance is required prior to the award of funds.

V. Program Requirements

The following general guidelines, related to a number of administrative items, are included to assist applicants in assembling work items description and budget data. The Post-Award Management Workshop and compliance trainings will be available to all successful applicants/recipients and will set forth detailed requirements for the management of local projects.

A. Local Administrative Costs

As per FR-5452-N-01 total administrative expenses cannot exceed 5% of the overall allocation; this leads to an Administrative budget of \$446,762. Because this budget is small when compared to the overall number and costs of projects that will be funded, it has been decided that applicants may request up to 2.5% of total project costs for Administrative uses.

As it is unlikely that it will increase capacity, administrative awards will not be made below \$20,000.

Appropriate administrative costs are:

1. Program management personnel, accounting, bookkeeping, clerical and other functions of program administration.
2. Travel of administrative personnel in conducting CDBG business.
3. Supplies such as: paper, drafting materials, forms, postage and similar items required for program administration.
4. Purchase or rental of services such as: auditing, telephone, data processing, duplicating, printing, and similar administrative requirements.
5. Purchase or rental of required office and administrative equipment, including: typewriters, calculators, filing equipment, communication equipment, office furniture and similar items. The purchase of such equipment is authorized only for the initial CDBG grant and not for any subsequent grant. Authorized equipment does not include the purchase of automobile or other heavy equipment. Disposition of acquired equipment is governed by close-out procedures.
6. Costs associated with provision for public input into program implementation or for any citizen information component of the program.
7. Costs incurred in environmental or other reviews or in the satisfaction of any permitting procedures or other local, State or federal requirement necessary for program implementation.

8. Consultant costs, if use for overall program management or program design, subject to the restrictions discussed under Subpart B, following. Cost which are directly related to specific program activities are considered as costs within those activities and are not included within the 15% limit. Such costs may include: housing inspectors, appraisers, estimators, loan officers, construction inspector and relocation officers.

B. Use of Consultant or Staff Services

No CDBG-DR monies will be allocated for Consultant Services in preparation of a CDBG-DR application. The Training & Technical Assistance allocation for the regular CDBG program, however, will be available to be used for consultant services in the preparation of CDBG-DR applications.

Applicants may contract for services in the preparation of applications and in the management of an approved project, using the above mentioned monies. This decision should be based upon the nature of the program and the general capacity of the local government. A community may elect to do this as a matter of convenience, recognizing that many consultants have experience in community development programs. The selection of a consultant shall be conducted in a manner so as to provide maximum open and free competition.

The following guidelines are for communities deciding to use contracted services for the preparation of an application.

1. A community may request up to \$5,000 of its CDBG-Technical Assistance award for work in the preparation of the CDBG-DR application. Any cost in excess of this \$5,000 must be funded by the community. A limited amount of funds have been allocated to support this activity.

Communities may not contract for the preparation of application materials and guarantee the contractor the right to administer the approved program. A contract for program management cannot be executed until after a grant award. While the Community Development office recognizes that the same contractor may be engaged for management, the community must initiate an open selection process that it may examine the qualification of all candidates. Any such contract or consulting services must be selected in accordance with Federal requirements.

C. Program Income

Any income resulting from the implementation of any approved program activity shall be returned to the State program. Upon request, the State may grant permission for the use of such income funds for another eligible program activity. All requirements placed on the expenditures of CDBG-DR funds shall be applied to the expenditure of such income.

D. Displacement and Relocation

It is the policy of this program to minimize displacement due to the implementation of any program activity. Relocation shall be governed by the Uniform Relocation Act ("Act"). For any

other involuntary or permanent displacement with respect to residential or non-residential property, not covered by this Act, grantees will be required to utilize the general standards of said Act by providing equivalent benefits. The State will require prior approval of any potential displacement and relocation resulting from any approved activity. Each grantee must certify that it will follow the State of Rhode Island Residential Anti-Displacement and Relocation Assistance Plan.

E. One-for-One Replacement

In accordance with the Section 104(d) of the Housing and Community Development Act of 1974, as amended, and implemented at 24 CFR Part 42.375, all Occupied and Vacant Occupiable lower-income dwelling units that are demolished or converted to a use other than as lower-income dwelling units in connection with an assisted activity must be replaced with comparable lower-income dwelling units.

Replacement units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted.

Financially feasible for rehabilitation is defined as follows: Residential structures that can be rehabilitated to code within the maximum subsidy per unit limits for HUD's 221(d)(3) program. Any unit which does not meet the requirements of condemnation under the State Building Code for reasons directly attributable to deteriorated major building systems is hereby determined to be Structurally Feasible for Rehabilitation.

Recipients must certify to the State that it has in effect and is following a Residential Anti-displacement and Relocation Assistance Plan and that it will minimize displacement. The municipality will certify to the requirements stated herein by signing the Residential Anti-displacement and Relocation Assistance Plan as part of its grant agreement.

Prior to the obligation/expenditure of funds, communities which plan demolition activities must submit to OHCD a "One for One Replacement of Lower-income Dwelling Units" plan which details how units which are planned to be demolished will be replaced. Said plan should include a list of structures to be demolished, those identified as financially and structurally feasible for rehabilitation and how such units will be replaced if demolition is to occur.

The one-for-one replacement requirements may not apply, based upon objective data, if it is determined there is an adequate supply of vacant low/moderate income dwelling units in standard condition available on a nondiscriminatory basis within the jurisdiction of the grantee. A community may request such exception from the State in accordance with the regulation, who will evaluate the request and required supporting documentation submitted, and submit such to HUD along with its recommendation.

F. Non-Performance or Non-Compliance by Grantees

OHCD shall monitor grantees for compliance with program requirements and the terms of the grantee's agreement. While the principal purpose of this monitoring is to provide for timely

detection and correction of problems which may arise, this system will also serve to initiate action toward the rescission of grants and the recaptures of funds where no correction local effort is indicated. OHCD staff will make every effort to assist in resolving problems, including amendment of the grant agreement where extenuating local circumstances exists, and the rescission of a grant will be considered only as a last resort. Local program administrators are strongly urged to consult with CDBG-DR staff whenever problems arise.

G. Independent Audit

Grantees will contract for an annual independent audit of their financial operations, including compliance with federal and State laws and regulations, if required. Any local government with federal expenditures in excess of \$500,000 in an audit period, must have an annual audit conducted in accordance with OMB Circular A-133. Grantees with federal expenditures below this threshold amount, must document the total federal and CDBG expenditures in the audit period with OHCD so for that monitoring efforts can be adjusted appropriately.

H. Civil Rights Compliance

1. Equal Opportunity

Grantees are required to collect and maintain data on the racial, ethnic, handicapped status, and gender characteristics of heads of households, of persons who are applicants for, participants in, or beneficiaries of the program.

2. Fair Housing

Grantees must prepare and implement a plan of action to affirmatively further fair housing for each CDBG. The community must detail this action in its annual performance report with OHCD.

3. Section 3

Grantees are required; under Section 3 of the Housing and Community Development Act of 1968, as amended; for activities providing direct assistance, to the extent feasible, to assure that, opportunities for training and employment be given to lower income residents of the area, and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area.

4. Excessive Force

No CDBG funds may be obligated or expended to any unit of general local government that fails to adopt and enforce a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; or fails to adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a

facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

5. Assessments

Grantees will not attempt to recover any capital costs of public improvements assisted in whole or in part with Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements; unless (a) Title I funds are used to pay the proportion of such fee of assessment that relates to the capital cost of such public improvements that are financed from revenue sources other than Title I funds; or (b) for purposes of assessing any amount against properties owned by persons of low or moderate income who are not persons of very low income, the State certifies that it lacks sufficient Title I funds to comply with the requirements of clause (a).

6. Technical Advisory Services

In compliance with its Community Development certification, the State of Rhode Island has taken steps to make technical advisory services available to both applicants and grantees uniformly upon request. Although the Community Development staff cannot prepare your application, project/guarantee funding or determine what activities to apply for, the staff is available to assist local communities with technical submission requirements. The staff also works closely with grantees to provide assistance in the management of funded projects.

I. Stafford Act Compliance

Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988 (amended the Disaster Relief Act of 1974, PL 93-288), constitutes the statutory authority for most Federal disaster response activities. Within program regulation related to CDBG-DR, the Stafford Act does not allow for:

- 1.) Duplication of Benefits, whereby multiple federal programs allocate funds for the same project repairs / activities.
- 2.) Delivery of Benefits in Excess of Disaster Need, whereby federal funds are allocated in excess of that which is required to repair disaster damage.

VI. Evaluation and Scoring

A. General Steps in Application Process

1. Notification to eligible communities of funding limit and the availability of funds and transmittal of an Application Handbook with the final date for application submission. An application workshop (held March 14, 2011) is scheduled.
2. Publication by the applicant of the proposed application including a statement of community development objectives and the projected use of funds. A public hearing shall be conducted before the proposed application due date.
3. Completion of the application incorporating comments and views obtained by citizens. The final application shall be made available for public inspection.
4. Submittal of activities to the applicant's planning board or commission to determine compliance of proposed activities with local planning and development policy as set forth in the local Comprehensive Plan. Certification of compliance is required prior to the award of funds.
5. Completion of the application and all necessary certifications with all supporting materials and submitted to the OHCD by the required deadline.
6. General application review as follows:

B. General Steps in Review Process

- a) Review by OHCD staff for compliance with program and application requirements, national objectives and eligible activities (as detailed earlier in this handbook). Application scoring will also be completed at this stage.
- b) Review by Division of Planning for compliance with threshold criteria.
- c) OHCD staff may, at its discretion, consult with other state agencies, including but not limited to the Department of Elderly Affairs, the Department of Human Services, the Department of Environmental Management, and the Department of Health for advice relative to requests for assistance in their areas of expertise.
- d) During the review period, OHCD staff may request additional information or documentation from applicants and may request minor modification to the proposals in order to meet program requirements, national objectives and threshold criteria. Applicants will not be allowed to make substantial changes or modifications to their application which would necessitate public notice and comment. Applicants will be allowed no more than two weeks to submit requested materials.

- e) Results of previous reviews/scoring will be provided to the Application Steering Committee for review and drafting of recommendation to the Governor.
 - f) Recommendations of the Committee, along with appropriate conditions, are transmitted to the Governor, who is responsible for the final decision on grant awards.
1. OHCD Staff Review / Fundability: All applications will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not in compliance with such requirements will be eliminated from consideration. Areas under consideration in this part include:
- A. Completeness of Application. Applications (in whole or in part) which are not complete or lack information necessary for the effective review of the proposal may be eliminated from consideration.
 - B. Fundability. Any activity proposed which does not meet Eligibility and National Objective requirements will be eliminated from consideration.
 - C. Compliance with Funding Award Goals. Any proposal which does not meet the objective of either Disaster Relief or Economic Revitalization in disaster affected areas will be eliminated from consideration
 - D. Process Issues. An application/activity which has not progressed through necessary regulatory public comment processes, may be eliminated from consideration.
 - E. Consistency with Program Design. Any activity not submitted in accordance with program requirements (such as on the forms provided and on the timeline dictated) shall be eliminated from consideration.

During this process, OHCD shall complete a quantifiable analysis (See "Scoring" below) of proposals, the results of which will be provided to the Application Steering Committee for their deliberations.

2. Thresholds Review: All activities which pass the "Fundability" test previously described, shall be reviewed under the "Thresholds" criteria detailed elsewhere in this handbook. Division of Planning staff shall conduct this review and may comment on and/or eliminate activities under consideration if it is determined they are inconsistent with State/federal policies and requirements. Areas to be reviewed include:
- a. State and Local Plans: Proposed projects must be consistent with the local Comprehensive Plan, State Land Use Plan, Municipal Affordable Housing Plan, and the State Strategic Affordable Housing Plan, or meet the general standards and principles set forth in the aforementioned plans applicable to the activity.
 - b. Flood Plains
 - c. Planning Transportation Actions
 - d. Stream Discharge
 - e. Historic Resources

- f. Ground Water Aquifers and Recharge Areas
 - g. Farmland
3. Application Steering Committee: The Steering Committee will undertake a qualitative review guided by the quantitative scoring, threshold comments and assisted by OHCD staff. The Committee's recommendations to the Governor should reflect a reasonable balance between a community's Disaster Recovery Needs and the competitiveness of individual project proposals.

Activities will be eliminated from consideration if the Committee feels they do not meet any of the following tests:

- a. Timeliness - if an activity is not likely to proceed in a timely fashion (within the next 12 months, excepting Residential Property Acquisition).
- b. Other Sources/Reviews - if an alternative source of funds is available in support of the proposal. It should be noted this committee often has no control over such alternatives resources. The Committee may also eliminate activities from consideration if they feel the proposal has not progressed through necessary/appropriate review steps other State/local authorities.
- c. Capacity/Performance - if the administrative agency for the activity lacks the experience and/or capacity to implement the proposed activity. Demonstrated past performance and resolution of prior monitoring/audit findings will be taken into consideration. The status of a community's FEMA Hazard Mitigation Plan will also be considered.
- d. Feasibility/Accuracy - if a proposal is not feasible as described in the application, the committee may eliminate it from consideration. Cost effectiveness of the proposals will be reviewed under this criteria. If the information provided in the application is inaccurate, it may also be eliminated.

Remaining activities which meet the above specified requirements will be considered for funding. The committee will weight its deliberations on the following priorities:

Activities will be funded, in whole or in part, based upon State Priorities, taking into account limited funding available, geographic distribution of resources and staff/threshold comments.

4. Governor's Role: Final awards by the Governor shall be based on the recommendation of the Steering Committee. Modification to the recommendations may be made based on the following criteria:
- a. An activity conflicts with other State projects or priorities.
 - b. An activity duplicates other State projects.
 - c. The recommendation are not consistent with State objectives/policies.

C. Scoring

During the OHCD review, fundable activities will be scored competitively against each other using the following criteria.

- a. Needs - A comparative Disaster Recovery Needs score, related to the areas of Housing, Buyout, Economic Assistance, and Infrastructure, will be generated for each eligible CDBG-DR applicant, by OHCD. This "DR Needs" Score will constitute a percentage % of the community's application score. Data may be pro-rated based on population in some categories.

- b. Disaster Recovery Needs Criteria:

Housing- Housing Score will be generated by the following data:

- 65% FEMA IA
- 25% SBA Residential Loans
- 10% Repetitive Loss Data

Buyout- Buyout Score will be generated by the following data:

- 15% # Repetitive loss properties
- 30% Payments to RL properties (1979-present)
- 15% # RL properties affected by 2010 flood
- 30% Payments to RL Properties (March 2010)
- 10% # of SRL properties

Economic- Economic score will be generated by the following data:

- 100% SBA Small Business disaster Loans

Infrastructure: Infrastructure score will be generated by the following data:

- 20% FEMA-PA
- 80% CDBG-DR Disaster Needs Survey

Note: Any 'Other' Disaster need, as identified in the CDBG-DR Disaster Need Survey, will increase a communities disaster need score by a maximum of 20% for a specific activity

c. Anticipated Project Benefits: Every activity determined "fundable" will be comparatively scored using the following criteria for each class of activity

1) Public Infrastructure and Facilities activities will be rated relative to one another. Total maximum points for a facility proposal is 200

a) Cost effectiveness – L/M Income

Up to 45 points will be awarded to activities based upon the cost per benefit (0-45 pts with the highest points going to projects which assist the greatest number of LMI people per CDBG-DR dollar invested).

b.) Cost effectiveness – Non -L/M Income

Up to 25 points will be awarded to activities based upon the cost per benefit (0-25 pts with the highest points going to projects which assist the greatest number of people per CDBG-DR dollar invested).

c) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity.

d) Community Revitalization

Up to 5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort.

e.) Hazard Mitigation Factors

Up to 10 points will be given for the inclusion of Hazard Mitigation Features within the project proposal, as evidenced by application to another program. Points given will be based on leveraged funds.

f.) Job Hours

Up to 10 points will be awarded, based on the total job hours this activity will impact in implementation

g.) Disaster Recovery Need

Up to 80 points will be given based on a community's Comparative Infrastructure Disaster Need

2) Housing Rehabilitation activities will be rated relative to one another. Total maximum points for a housing proposal is 200.

a) Ratio of CDBG-DR funds to the Number of Units assisted

Up to 60 points will be provided to the most cost-effective CDBG-DR activities

b) Past Performance and Capacity

Up to 25 points will be awarded based upon the community's past performance with regard to comparable rehabilitation program.

c) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity.

d) Community Revitalization

Up to 5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort.

e.) Inclusion of Hazard Mitigation Features

Up to 10 points will be given for the inclusion of Hazard Mitigation Features within the project proposal, as evidenced by application to another program. Points given will be based on leveraged funds.

f.) Job Hours

Up to 5 points will be awarded, based on the total job hours this activity will impact in implementation

g.) Disaster Recovery Need

Up to 70 points will be given based on a community's Comparative Residential Disaster Need

3) Home Ownership activities will be rated relative to one another. Total maximum points for a housing proposal is 200.

a) Ratio of CDBG-DR funds to the number of applicants assisted

Up to 65 points will be provided to the most cost-effective CDBG-DR activities (0-65; least cost to greatest assistance receives highest points).

b) Past Performance and Capacity

Up to 25 points will be awarded based upon the Town's past performance with regard to comparable rehabilitation program.

c) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity.

d) Community Revitalization

Up to 5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort.

e.) Job Hours

Up to 10 points will be awarded, based on the total job hours this activity will impact in implementation

f.) Disaster Recovery Need

Up to 70 points will be given based on a community's Comparative Residential Disaster Need

4) Economic Development Activities will be rated relative to one another. Total maximum points for these activities is 200.

a) Cost effectiveness – L/M I Jobs

Up to 70 points will be awarded to activities based upon the cost per benefit (0 - 70pts with the highest points going to projects which create / retain the greatest number of L/MI jobs people per CDBG-DR dollar invested).

a) Cost effectiveness – Jobs

Up to 15 points will be awarded to activities based upon the cost per benefit (0 - 15pts with the highest points going to projects which create / retain the greatest number of jobs people per CDBG-DR dollar invested).

c) Past Performance and Capacity

Up to 20 points will be awarded based upon the Town's past performance with regard to comparable program.

d) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity. For example:

e) Community Revitalization

Up to 5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort.

f.) Job Hours

Up to 5 points will be awarded, based on the total job hours this activity will impact in implementation

g.) Economic Recovery Need

Up to 60 points will be given based on a community's Comparative Economic Disaster Need

5) Property Buyout activities will be rated relative to one another. Total maximum points for a Property Buyout Activity is 200.

a.) Cost Effectiveness – L/M Income

Up to 25 points will be awarded to activities based upon the cost per benefit (0-25 pts with the highest points going to projects which assist the greatest number of people per CDBG-DR dollar invested).

b.) Total March 2010 Flood Losses

Up to 30 points will be awarded to projects based on the total damage received, per unit, from the March 2010 flood. Areas which sustained high levels of damage will be scored higher than areas with a comparatively low damage score.

c.) Repetitive Flood Status

Up to 25 points will be awarded, based on the number of Repetitive Loss and Severe Repetitive Loss Structures the project contains.

d) Community Priority

Up to 15 points will be awarded based upon the local priority ranking of the specific activity.

e.) Job Hours

Up to 5 points will be awarded, based on the total job hours this activity will impact in implementation

f.) Leveraging of other funds

Up to 40 points will be given based on the degree this project leverages other funding sources.

g.) Buyout Recovery Need

Up to 45 points will be given based on a community's Comparative Residential Disaster Need

h.) Residential Recovery Need

Up to 15 points will be given based on a community's Comparative Residential Disaster Need

6) Public Service activities will be rated relative to one another. Total maximum points for a Public Service is 200.

a) Benefit

Up to 80 points will be awarded based upon the total number and percentage of low/moderate persons located in the area to be served by this planning activity, or the total L/M Persons this activity is intended to benefit.

b) Community Priority

Up to 40 points will be awarded based upon the local priority ranking of the specific activity.

c) Community Revitalization

Up to 15 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort.

d.) Job Hours

Up to 15 points will be awarded, based on the total job hours this activity will impact in implementation

e.) Residential Recovery Needs Score

Up to 50 points will be given based on a community's Residential Recovery Needs score.

7) Planning activities will be rated relative to one another. Total maximum points for a Planning proposal is 200.

a) Benefit

Up to 80 points will be awarded based upon the total number and percentage of low/moderate persons located in the area to be served by this planning activity, or the total L/M Persons this activity is intended to benefit.

b) Community Priority

Up to 20 points will be awarded based upon the local priority ranking of the specific activity.

c) Community Revitalization

Up to 5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 10pts.

d.) Job Hours

Up to 5 points will be awarded, based on the total job hours this activity will impact in implementation

e.) Coordination with other Programs

Up to 30 points will be given for demonstrated coordination of planning activities with other programs

f.) Leveraging funds from other programs

Up to 40 points will be given for demonstrated coordination of planning activities with other programs

g.) Recovery Needs

Up to 20 points will be given based on the average of the Infrastructure and Residential Recovery Needs score

C. Steering Committee Review

The Steering Committee will undertake a qualitative review assisted by State staff. The Steering Committee will base its deliberation on the rating system and select the strongest proposals from comparable groupings of activities. The Steering Committee's recommendations to the Governor should reflect a reasonable balance between disaster recovery needs and effective competitiveness of individual project proposals.

The review will consist of a project by project analysis grouped by activity type/category. The Steering Committee will weight its consideration on the program's priorities. The analysis will consider 1) cost effectiveness of the proposal, including leveraged funds; 2) extent to which the proposed activities address Disaster recovery needs identified by the community, and state and federal agencies 3) extent to which the activity represents a coordinated approach to disaster recovery; and 4) adequacy of the proposed management plan as well as prior program performance, including resolution of monitoring or audit findings.

APPENDIX A.1: National Objectives and Eligibility

I. NATIONAL OBJECTIVES

A. GENERAL

The primary objective of the Housing and Community Development Act of 1974, as amended, is the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunity; principally for persons of low and moderate income. To be consistent with this primary objective, each activity must address one of the following objectives:

1. Benefit low and moderate income families and individuals; or,
2. Aid in the prevention or elimination of slums and blight

Local programs may also include activities designed to meet community development needs having a particular urgency. The following criteria shall be used to determine whether a proposed activity complies with one or more of the national objectives.

B. ACTIVITIES BENEFITTING LOW AND MODERATE INCOME PERSONS

Activities meeting the criteria in this section, as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct efforts of the assisted activity will be considered. The activities, when taken as a whole, must not benefit moderate income persons to the exclusion of low income persons.

1. Area Benefit Activities

An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. Units of general local government may use either HUD-provided data comparing census data with appropriate low and moderate income levels or survey data that is methodologically sound. (See Handbook Section III.B for Methodology).

An activity that serves an area that is not primarily residential in character shall not qualify under this criteria.

2. Limited Clientele Activities

(i) An activity which benefits a limited clientele, at least 51 percent of whom are low or moderate income persons. The following kinds of activities may not qualify under this paragraph:

- a. Activities, the benefits of which are available to all the residents of an area;
- b. Activities involving the acquisition, construction or rehabilitation of property for housing; or
- c. Activities where the benefit to low and moderate income persons to be considered is the creation or retention of jobs.

(ii) To qualify under this section, the activity must meet one of the following tests:

- a. Benefit a clientele who are generally presumed to be principally low and moderate income persons. The following groups are presumed by HUD and CD to meet this criterion; abused children, battered spouses, elderly persons, handicapped persons, illiterate persons and migrant farm workers;
- b. Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit;
- c. Have income eligibility requirements which limit the activity exclusively to low/moderate income persons; or
- d. Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(iii) A special project directed to removal of material and architectural barriers which restrict the

mobility and accessibility of elderly or handicapped persons to publicly owned and privately owned non-residential buildings, facilities and improvements, and the common areas of residential structures containing more than one dwelling unit.

3. Housing Activities

An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low and moderate income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property, conversion of non-residential structures, and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered, for this purpose, as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

- a. The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project; and
- b. Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and
- c. The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

4. Job Creation or Retention Activities

(i) An activity designed to create permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low and moderate income persons. For an activity that creates jobs, the unit of general local government must document that at least 51 percent of the jobs will be held by, or will be made available to low and moderate income persons.

(ii) For an activity than retains jobs, the unit of general local government must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided: the jobs are known to be held by low or moderate income persons; or the jobs can reasonably be expected to turn over within the following two years and that they will be filled by, or that steps will be taken to ensure that they are made available to, low or moderate income persons upon turnover.

(iii) Jobs will be considered to be available to low and moderate income persons for these purposes only if:

- (a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training;
- (b) The unit of general local government and the assisted business take actions to ensure that low and moderate income persons receive first consideration for filling such jobs; or
- (c) The employee resides in a census tract where not less than 70 percent of the residents are low and moderate income persons.
- (d) The assisted business is located within a census tract (or block numbering area) that meets the following requirements:

(1) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(2) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(3) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

(a) All block groups in the census tract have poverty rates of at least 20 percent; and

(b) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent.

(iv) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(a) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided the businesses are not otherwise assisted by CDBG funds.

(b) Where CDBG funds are used to pay for the staff and overhead costs of a subrecipient specified in Section 105(a)(15) of the Act making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any one-year period.

- (c) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance

to businesses, this request may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during any one year period.

- (d) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

- (1) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, providing that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

- (2) In any case where the cost per job to be created or retained is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement,

locate or expand in the service area of the public facility/improvement between the date the State awards the CDBG funds to the recipient and the date one year after the physical completion of the public facility/improvement. In addition, the assisted activity must comply with the public benefit standards.

5. Planning Only Activities

An activity involving planning (when such activity is the only activity for which the grant to the units of general local government is given, or if the planning activity is unrelated to any other activity assisted by the grant) if it can be documented that at least 51 percent of the persons who would benefit from implementation of the plan are low and moderate income persons. Any such planning activity for an area or a community composed of persons of whom at least 51 percent are low and moderate income shall be considered to meet this national objective.

C. ACTIVITY WHICH AID IN THE PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. Activities to Address Slums or Blight on an Area Basis

An activity will be considered to address prevention or elimination of slums or blight in an area if it can determine that:

- (i) The area, delineated by the unit of general local government, meets a definition of slum, blighted, deteriorated or deteriorating area under state or local law; (See Appendix C)
- (ii) Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;

- (iii) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is also undertaken. The unit of general local government must develop minimum standards for building qualifications which may take into account local conditions.
- (iv) The unit of general local government must keep records to document its finding that a project meets the national objective of prevention or elimination of slums and blight.

2. Activities to Address Slums or Blight on a Spot Basis

Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

3. Planning Only Activities

An activity involving planning (when the activity is the only activity for which the grant to the unit of general local government is given, or the planning activity is unrelated to any other activity assisted by the grant) if the plans are for a slum or blighted area, or if all elements of the planning are necessary for and related to an activity which, if funded, would meet one of the other criteria of elimination of slums or blight.

D. ACTIVITIES DESIGNED TO MEET COMMUNITY DEVELOPMENT NEEDS HAVING A PARTICULAR URGENCY

In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the unit of general local government certifies, and the state determines, that the activity is designed to

alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the units of general local government is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became urgent within 18 months preceding the certification by the unit of general local government.

E. ADDITIONAL CRITERIA

1. In any case where the activity undertaken is a public improvement and the activity is clearly designed to serve a primarily residential area, the activity must meet the requirements of paragraph B(1), area benefit activities, of this section whether or not the requirements of paragraph B(4), job creation activities, of this section are met in order to qualify as benefiting low and moderate income persons.
2. Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under (4) below.
3. Where the assisted activity is relocation assistance that the unit of general local government is required to provide, the relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary, the unit of general local government may qualify the assistance either on the basis of the national objective addressed by the displacing activity or, if the relocation assistance is to low and moderate

income persons, on the basis of the national objective of benefitting low and moderate income persons.

4. Change of Use of Real Property

The standards described in this section apply to real property within the units of general local government's control (including activities undertaken by subrecipients) which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (24 CFR 85.36, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments". The threshold amount is currently \$100,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of the unit of general local government's grant.

- (i) A unit of general local government may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the units of general local government provides affected citizens with reasonable notice of an opportunity to comment on any proposed change, and either:
 - (a) The new use of the property qualifies as meeting one of the national objectives and is not a building for the general conduct of government; or
 - (b) The requirements in paragraph (ii) of this section are met.
- (ii) If the unit of general local government determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph 4(i) of this section, it may retain or dispose of the property for the changed use if the unit of general local government's CDBG program is reimbursed or

the State's CDBG program is reimbursed, at the discretion of the State. The reimbursement shall be in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property, except that if the change in use occurs after grant closeout but within 5 years of such closeout, the unit of general local government shall make the reimbursement to the State's CDBG program account.

- (iii) Following the reimbursement of the CDBG program in accordance with (ii) above, the property will no longer be subject to any CDBG requirements.

5. Activities Serving Beneficiaries Outside the Jurisdiction of the Units of General Local Government

CDBG funded activities may serve beneficiaries outside the jurisdiction of the units of general local government that receives the grant, provided the unit of general local government determines that the activity is meeting its needs in accordance with its statement of Community Development Needs submitted as part of the application for assistance.

- (i) A majority of the beneficiaries of such activities may reside outside the boundaries of the locality that receives the grant provided that the receiving locality is willing to implement the activity and will be responsible for meeting statutory requirements.
- (ii) In instances where an activity carried out by a small city also benefits residents of an adjacent entitlement jurisdiction:
 - (a) A majority of the beneficiaries should reside in the small city; or
 - (b) If a substantial majority of beneficiaries reside in the entitlement jurisdiction, that jurisdiction should pay a proportional cost of the activity.

F. PLANNING AND ADMINISTRATIVE COSTS

CDBG-DR funds expended for eligible planning and administrative costs by units of general local government in conjunction with other CDBG-DR assisted activities will be considered to address the national objectives.

II. ELIGIBLE ACTIVITIES

Please consult Section II. Of the CDBG-DR Handbook for a listing of eligible Activities

III. Ineligible Activities

Please consult Section II. Of the CDBG-DR Handbook for a listing of ineligible Activities

APPENDIX A.2: Applicable Waivers and Alternative Program Requirements

Listed below is a brief summarization/ index of Waivers, and Alternative Program Requirements for Activities performed using CDBG-DR funds, as listed in the CDBG Allocation Notice. For detailed descriptions of each Waiver, consult Docket No. FR-5452-N-01 [Federal Register: Volume 75, Number 217].

Waiver #	Waiver (or) Alternative Requirement Description	FR Page/Column
1	<i>General note.</i> Prerequisites to a grantee's receipt of CDBG disaster recovery assistance	69103-1
2	<i>Overall benefit waiver and alternative requirement.</i> The requirement that 70 percent of funds are for activities that benefit low- and moderate-income persons are waived to stipulate that at least 50 percent of a grant's funds are for activities that principally benefit low and moderate-income persons.	69103-2
3	<i>Direct grant administration and means of carrying out eligible activities—applicable to State grantees only.</i> Requirements are waived to the extent necessary to allow a State to use its disaster recovery grant allocation directly to carry out State-administered activities.	69103-2
4	<i>Consolidated Plan waiver.</i> Requirements that housing activities undertaken with CDBG funds be consistent with the consolidated plan are waived.	69103-2
5	<i>Action Plan waiver and alternative requirement.</i> SEE FR-5452-N-01 for requirements for the State Action Plan.	69103-2
6	<i>Citizen participation waiver and alternative requirement.</i> The streamlined requirements require a reasonable opportunity (at least 7 days) for citizen comment and ongoing citizen access to information about the use of grant funds, through the publication of the Action Plan. The grantee must make the Action Plan, any substantial amendments, and all performance reports available to the public on the Internet and on request. In addition, the grantee must make these documents available in a form accessible to persons with disabilities and non-English-speaking persons.	69104-2
7	<i>Modify requirement for consultation with local governments—applicable to State grantees only.</i> Any State receiving an allocation under this Notice consult with all disaster-affected units of general local government, including any CDBG-entitlement communities, in determining the use of funds.	69104-3
8	<i>Note on change to administration limitation.</i> Up to 5 percent of the grant amount may be used for administrative costs.	69104-3
9	<i>Planning activities.</i> Planning activities are not required to benefit at least 51% low- or moderate-income individuals	69105-1
10	<i>Waiver and alternative requirement for distribution to CDBG metropolitan cities and urban counties—applicable to State grantees only.</i> The State is required to distribute funds to activities assisting a disaster declared county or counties and eligible under this Notice without regard to the status of a local government or Indian tribe under any other CDBG program.	69105-1
11	<i>Use of subrecipients—applicable to State grantees only.</i> SEE FR-5452-N-01 for requirements of States when directly administering activities through sub-grantees.	69105-2
12	<i>Recordkeeping—applicable to State grantees only.</i> The State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State's administration of CDBG disaster recovery funds, when administering activities directly.	69105-2
13	<i>Change of use of real property— applicable to State grantees only.</i> This waiver conforms the change of use of real property rule to the waiver allowing a State to carry out activities directly.	69105-2
14	<i>Responsibility for review and handling of noncompliance—applicable to State grantees only.</i> As the State may carry out activities directly, the State shall make reviews and audits, including onsite reviews of any sub-recipients, designated public agencies, and units of general local	69105-3

	government, as may be necessary or appropriate to meet the requirements of section 104(e)(2) of the HCD Act, as amended, as modified by this Notice.	
15	<i>Waiver of performance report and alternative requirement.</i> In place of a Performance Evaluation Report (PER), each grantee must submit a quarterly performance report through the Disaster Recovery Grant Reporting System.	69105-3
16	<i>Housing-related eligibility waivers.</i> US code is waived to the extent necessary to allow: (1) Homeownership assistance for households with up to 120 percent of area median income, (2) down payment assistance for up to 100 percent of the down payment, and (3) new housing construction.	69106-1
17	Applicable only to Metropolitan Nashville and Davidson County.	69106-1
18	Applicable only to Metropolitan Nashville and Davidson County.	69106-1
19	<i>Buildings for the general conduct of government.</i> The grantee is allowed to fund the rehabilitation or reconstruction of public buildings that are otherwise ineligible and that are selected in accordance with its approved Action Plan for Disaster Recovery and that are determined (to) have substantial value in promoting disaster recovery.	69106-1
20	<i>Waiver and modification of the job relocation clause to permit assistance to help a business return (ANTI-PIRATING).</i> The grantee is allowed to provide assistance under this grant to any business that was operating in the covered disaster area before the incident date of the applicable disaster and has since moved, in whole or in part, from the affected area to another State or to a labor market area within the same State to continue business. This waiver and modification is inapplicable to the City of Cranston.	69106-1
21	<i>URA provisions.</i> Amended grant requirements, and waivers, for activities which will displace individuals. SEE FR-5452-N-01 for requirements	69106-1
22	<i>Program income alternative Requirement.</i> Alternative grant requirements for activities which will generate program income. SEE FR-5452-N-01 for requirements	69106-3
23	<i>National Objective Documentation for Economic Development Activities.</i> The Grantee is allowed to establish low- and moderate-income jobs benefit by documenting, for each person employed, the name of the business, type of job, and the annual wages or salary of the job. HUD will consider the person income-qualified if the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family.	69107-3
24	<i>Public benefit for certain economic development activities.</i> Public benefit standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f)(1), (2), (3),(4)(i), (5), and (6), and 24 CFR 570.209(b)(1), (2), (3)(i), (4) are waived, However, Grantees shall report and maintain documentation on the creation and retention of total jobs; the number of jobs within certain salary ranges; the average amount of assistance provided per job, by activity or program; and the types of jobs. Paragraph (g) of 24 CFR 570.482, and 24 CFR 570.209(c), and (d) are also waived to the extent these provisions are related to public benefit.	69107-3
25	<i>Allow reimbursement for pre-agreement costs.</i> The State and units of local Government may reimburse itself for otherwise allowable costs incurred on or after the incident date of the covered disaster.	69108-1
26	<i>Clarifying note on the process for environmental release of funds when a State carries out activities directly.</i> When a State carries out activities directly, the State must submit the environmental certification and request for release of funds to HUD for approval.	69108-1
27	<i>Duplication of benefits.</i> Grantees should ensure that each program provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met. all sources of assistance should be included in this needs analysis, including, but not limited to, funds received (or to be received) via insurance, FEMA, the SBA, other local, State, or Federal programs, or recovery support from private charity organizations.	69108-1
28	<i>Note that use of grant funds must relate to the purposes of the Supplemental Appropriations Act, 2010.</i> Activities funded under this Notice must be necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in Presidential declared disaster areas affected by severe storms and flooding from March through May, 2010,	69108-2
29	<i>Notes on flood buyouts.</i> SEE FR-5452-N-01 for requirements	69108-2

30	<i>Procurement.</i> SEE FR-5452-N-01 for requirements	69109-2
31	<i>Timely distribution of funds.</i> Requirements regarding timely distribution of funds are waived.	69109-2
32	<i>Information collection approval note.</i> HUD has approval for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) under OMB control number 2506–0165. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, nor is a person required to respond to, a collection of information, unless the collection displays a valid control number.	69109-2
33	<i>Certifications waiver and alternative requirements.</i> SEE Appendix A for full listing of Certifications that the State and units of Local Government are required to make, prior to receipt of a CDBG Disaster Recovery Grant.	69109-3